

Town of Billerica

AFFORDABLE HOUSING PRODUCTIVITY PLAN



**REVISED FINAL PLAN
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PREPARED BY THE NORTHERN MIDDLESEX COUNCIL OF GOVERNMENTS

Billerica Affordable Housing Productivity Plan

Table of Contents

	<u>Page</u>
Table of Contents	i
Introduction	1-4
I. Data Analysis	4-23
A. Billerica Build-out Study	4-5
B. Population Growth and Projections	5-7
C. Population Change by Race and Hispanic Origin	7-8
D. Population Change by Age Group	8-9
E. Households	9-10
F. Housing Units	10
G. Housing Unit Characteristics	10-11
H. Income Distribution	11-12
I. Housing Ownership Data	12-14
J. Rental Housing Data	15-20
K. Conclusions	20-23
L. Maps	23
II. Current State of Housing	24-32
A. Homeownership Data	24-29
B. Rental Data	30
C. Affordable Housing Inventory	30-33
III. Addressing Billerica’s Housing Needs	34-45
A. Limitations	35-37
1. Transportation Issues	35-37
a. The Roadway Network	35-37
b. Transit Service	37
2. Water and Sewer Infrastructure	38-39
a. Water Systems	38
b. Sewer Systems	38-39
B. Affordable Housing Initiatives	39-45
Appendix	46
Maps	
Bedford Housing Trust, Inc. By-Laws	
(example)	
Sample Deed Riders	

Acknowledgments

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Billerica Affordable Housing Productivity Plan

The Town of Billerica has experienced similar problems as its Eastern Massachusetts neighbors regarding the lack of affordable housing and the escalating cost of housing in the community. Young families can't afford the housing sales prices, while the elderly residents face an ongoing struggle in paying their property taxes on their fixed incomes. In comparison to other communities in the Greater Lowell region (Chelmsford, Dracut, Dunstable, Lowell, Pepperell, Tewksbury, Tyngsborough and Westford), the Town of Billerica ranks slightly above the median level on a number of demographic and housing indicators. The bulk of the population growth in the community occurred between 1970 and 1980 when the population grew by 16%, as compared to the more recent population growth of 3.6% between 1990 and 2000. Similarly, the number of housing units increased by 33% between 1970 and 1980, which represents a rate more than three times that between 1990 and 2000 (8.9%). As of the 2000 U.S. Census, the Town of Billerica had a total population of 38,981 and total housing units of 13,071. Population estimates by the U.S. Census as of July 1, 2003 reflected an increase of 1.6% from the 2000 figures to 39,593 in Billerica.

Originally developed along Boston Road (Route 3A), the Concord River, the Boston & Maine Railroad Line, Nuttings Lake and the Faulkner Mills in North Billerica, the Town of Billerica grew significantly between 1960 and 1980 and represented an opportunity for residents of Boston and Greater Boston to move to the suburbs in order to raise a family. Typically, the predominant housing structure became the single-family house, with the exception of duplexes in the North Billerica area, small vacation homes in the Nuttings Lake area and mobile homes along the Tewksbury border. The Billerica of today is far different from the largely agricultural, residential and mill community of the past.

The purpose of developing this Planned Production Plan is to outline an affordable housing implementation strategy that increases the number of long-term affordable housing units in Billerica, while respecting the neighborhood character of the community and implementing a "smart growth" strategy for housing development that builds upon the established infrastructure in the community. This document will provide an overview of the Town of Billerica in statistical terms, a description of its current housing market, both market-rate and affordable, an analysis of its infrastructure limitations and a Planned Production Plan summarizing the steps the community will take in addressing the 10% low and moderate-income housing goal established by Chapter 40B.

Introduction

Mullin Associates, Inc. completed the Billerica Master Plan in October 2002, which included an analysis of the current housing situation and offered recommendations to increase the number of affordable housing units in the community. The consultants noted that there had been "little diversity in the type of construction" that occurred between 1990 and 2000 with the focus upon "large and expensive single-family homes". Local realtors described the housing market as "tight" and there was little housing available for sale or rent. The major problem identified was trying to support an expanding economy at a time when the housing market was so tight.

According to the Billerica Master Plan, the Planning Charrette held by Mullin Associates, Inc. on May 5, 2001 concluded that a major weakness in the community was a lack of affordable housing,

particularly for young people who wanted to settle in Billerica, and there was an opportunity for the Town to provide affordable housing. The participants of the Planning Charrette suggested that the Town of Billerica address elderly and affordable housing needs in the community through Town-run affordable housing. This sentiment was supported through the Community Survey that was conducted in September 2001. Based upon the responses to the housing questions in the Community Survey, it was determined that “more senior housing should be built and that fewer single-family homes, affordable housing, townhouse/condominiums, rental apartments and mobile homes should be built”. As a result of this information, the Housing Sub-Committee of the Billerica Long Range Master Planning Committee has determined that the most significant housing issue facing the community is the affordable housing shortage and that the Town needed “to be able to control its future development growth and maintain affordable numbers in perpetuity”.

Based upon the issues identified above, the Housing Sub-Committee developed the following housing goals and objectives as part of the Billerica Master Plan, which was also adopted by the Billerica Planning Board and the Billerica Town Meeting:

Billerica Master Plan Housing Goals & Objectives

Goal 1: The Town should review and update (as needed) the housing goals on a regular basis.

Objective A: *The Long Range Master Planning Committee, in coordination with the Housing Authority and the Housing Partnership Committee will be charged with the periodic oversight of the goals set forth.*

Goal 2: Provide for the housing needs of the existing and projected Billerica population.
(Include all socio-economic groups)

Objective A: *Planning Board and Director of Planning to draft and propose zoning bylaw changes to allow mixed use affordable developments/housing units over or within commercial property in certain areas. This would be by special permit of the Planning Board.*

Objective B: *Planning Board and Director of Planning to draft and propose zoning bylaw changes allowing subsidized housing units to be built by the Billerica Housing Authority or by private partnerships with Housing Authority oversight.*

Objective C: *Planning Board and Director of Planning to draft and propose zoning bylaw changes to allow non-family renting of in-law apartments when for state approved affordable use. Qualification would be regulated by state standards.*

Objective D: *Planning Board and Director of Planning to draft and propose zoning bylaw to establish linkage fees from large commercial and industrial developments to fund affordable housing.*

- Objective E:** *Planning Board and Director of Planning to draft and propose zoning bylaw to establish fee waivers or reductions to encourage affordable housing.*
- Objective F:** *Planning Board and Director of Planning to draft and propose zoning bylaw to require that single-family developments have the same 10% affordable component as multifamily projects.*
- Objective G:** *Planning Board and Director of Planning to draft and propose zoning bylaw changes to promote density bonuses for developments that provide more than 10% affordable requirements.*
- Objective H:** *Ensure that affordable housing remains affordable in perpetuity.*

Goal 3: *Protect the residential living environment of existing and proposed residential areas.*

- Objective A:** *Allow development only if the infrastructure is adequate and available to serve it. The Town shall be responsible for establishing plans that will make explicit what standards must be met prior to development approval. Infrastructure in this sense includes water, sewer, roads and public services, such as schools and fire protection.*
- Objective B:** *Require industrial and commercial uses to be buffered from residential and other sensitive land uses.*
- Objective C:** *Utilize wetlands and other lands that are unsuitable for development as buffers between residential areas and other uses and to provide passive recreation opportunities and an open space setting for residential development.*
- Objective D:** *Protect wetlands, steep slopes and other environmentally sensitive areas by prohibiting development of housing sites in these areas.*

Goal 4: *Locate housing of varying density on sites, which are appropriate for such densities.*

- Objective A:** *Continue to keep lower density single-family residential uses on medium to large lots (40-50,000 sq. ft.) in areas of the Town where the level of activity is less intensive.*
- Objective B:** *Sites near highways and business areas that can be effectively served by public services and facilities should be considered for multi-family housing.*
- Objective C:** *Use rational location criteria as a tool for evaluating sites that are appropriate for multi-family use.*

Goal 5: *Provide affordable housing opportunities at locations that are compatible with surrounding land use and are conducive to the well being of Town residents.*

Objective A: *Billerica will address the state standard of making 10% of housing stock available for persons and families of low and/or moderate income by actively pursuing the production of affordable housing units, working with local developers to encourage that each new project has at least 10% affordable housing included, and to work with Habitat for Humanity or other non-profit agencies.*

Objective B: *Encourage and assist the development of affordable housing for families of various sizes, incomes and ages by the following means:*

- *Establish a revolving fund to purchase existing units for resale as affordable under the state required restrictions.*
- *Explore the possibility of an ecumenical or other cooperation to build affordable housing (Habitat for Humanity model).*
- *Provide incentives to developers to give back pro bono labor.*
- *Encourage the development of a non-profit Community Development Corporation (CDC) to develop Town-owned or private property.*
- *Seek private donations of land for affordable housing development via a CDC.*

Objective C: *Continue to actively participate in the state's Housing Partnership Program.*

Objective D: *Dedicate personnel to work with the Planning Board and Director of Planning to research state funding sources/grants for and to otherwise promote private/public development of affordable housing.*

Objective E: *Encourage the location of affordable housing in appropriate areas with no undue concentrations of low and moderate-income families.*

Objective F: *Encourage the location of affordable housing in small-scale developments scattered in all areas of the Town.*

I. Data Analysis

A. Billerica Build-out Study

The Executive Office of Environmental Affairs (EOEA) contracted with NMCOG to develop nine build-out studies for the communities in the Greater Lowell region. These build-out studies were promoted by EOEA as a means to encourage balanced growth, or sustainable development, in order to preserve a community's character and natural resources, while also providing jobs, taxes and homes for its residents. These studies were completed by utilizing a Geographic Information System (GIS) model and the standard definitions provided by EOEA. In essence, these build-out studies reflected the potential development impact upon individual communities assuming that the current zoning would remain unchanged. EOEA hoped that this information would encourage local communities to change their zoning in order to encourage balanced growth. Based upon a compilation of the data from the nine build-out studies completed by NMCOG, it was estimated that the region's total population would increase by 66,636 residents (from 263,659 in 1990 to

330,295 at complete build-out) or 25.3%. It was also estimated that there would be 11,875 new students and 21,041 additional residential lots in the region.

NMCOG worked with the Town of Billerica on their build-out study in 2001. Based upon the past development patterns and zoning regulations in effect at that time, NMCOG determined that 5,504 additional residents would live in the town at full build-out. These additional residents would increase the total population by 14.6% from 37,609 in 1990 to 43,113 at full build-out. Similarly, the total number of students was projected to increase by 15.9% from 9,937 in 1990 to 11,517 at full build-out (according to the 2000 U.S. Census, the total number of students in Billerica was 10,173). Water usage for residences would increase by 412,650 gallons per day and for commercial and industrial uses by 1,364,814 gallons per day. Developable land was projected to increase by 109,552,093 square feet or 2,515 acres resulting in 1,748 additional residential lots and 18,197,516 square feet of additional commercial/industrial floor area. Municipal solid waste was expected to increase by 2,827 tons and non-recycled solid waste was projected to increase by 2,007 tons. Additional road infrastructure, in terms of new residential subdivision roads, will be increased by thirty-seven (37) miles as a result of this projected development.

The results of the build-out study serve as a guide for the local community in what to expect if planning tools aren't used more effectively and if the current zoning remains unchanged. Although the bulk of Billerica's recent development took place during the 1960's and 1970's, there is still development potential remaining in the community that will impact its residential, commercial and industrial land uses. Choices will need to be made among open space, affordable housing and commercial and industrial uses that provide a balanced approach to maintaining the quality of life, providing housing at affordable prices and creating employment opportunities and expanding the tax base to support community initiatives. In order for the Town of Billerica to manage its development in the future, it will need to address some basic infrastructure issues and work with developers to ensure that the Town's quality of life is maintained.

B. Population Growth and Projections

According to the 2000 U.S. Census, the population of the Town of Billerica was 38,981, which represented 13.86% of the Greater Lowell region's population. Billerica has been the largest town in the Greater Lowell region since 1970, second only to the City of Lowell in total population. Its overall percentage of the region's population has declined from 15.6% in 1980 to 13.9% in 2000 due largely to the growth in the outlying suburban towns of Pepperell, Tyngsborough and Westford.

The Town of Billerica has experienced extensive growth, particularly during the 1960's and 1970's. The population grew by 16% between 1970 and 1980, as compared to the region's population growth rate of 6.8%. This growth rate was exceeded only by the 76.2% population growth between 1960 and 1970, which was more than double the region's 30% growth rate. Since 1980 the population has grown by 2.4% between 1980 and 1990 and 3.6% between 1990 and 2000, as compared to the region's growth of 12.2% and 6.7% for the same time periods.

Population projections for the Town of Billerica, as outlined in Table I on the next page, reflect a lower growth rate for the town than the region as a whole. The total build-out population figure of 43,113 is 14.6% higher than the 1990 U.S. Census figure and 10.6% higher than the 2000 U.S. Census figure. In comparison, the build-out population figures for the region show an increase of 25.3% between 1990 and full build-out and 17.4% between 2000 and full build-out. Additionally,

the population projections completed by the Massachusetts Highway Department (formally reviewed by NMCOG) for 2005, 2010, 2015, 2020, and 2025 generally show growth rates in the 1% range for the Town of Billerica and a 2-4% range for the Greater Lowell region. These figures reflect the fact that the Town is largely built out as compared to the region as a whole. Therefore, there will be less land available in the future in Billerica and there will be competing demands for this land. The policy choices made by town officials will likely have an impact upon the level of affordable housing in the community.

Table 1: Population Growth and Projections (1980, 1990, 2000, Projections)

	1980	1990	2000	2005	2010	2015	2020	2025	Build-out
Billerica	36,727	37,609	38,981	39,408	40,020	40,470	41,090	41,650	43,113
% Growth	16.0	2.4	3.6	1.1	1.6	1.1	1.5	1.4	3.5
NMCOG	235,052	263,656	281,225	293,500	304,000	314,500	325,000	332,500	NA
% Growth	6.8	12.2	6.7	4.4	3.6	3.5	3.3	2.3	NA

Sources: 1980, 1990, and 2000: U.S. Census

2005, 2010, 2015, 2020, 2025: Massachusetts Highway Department with formal review by NMCOG

Build-out: NMCOG figures based upon EOE information base.

NA – Not Available

Within the next ten years, the population in Billerica is expected to grow by only 2.7%, as compared to the region's growth of 7.1%. Housing starts will likely slow down and the number of persons per family will be reduced as well.

Special Needs Population

According to Table P42 of the 2000 U.S. Census, the special needs population of the Town of Billerica was estimated to be approximately 15% of the total population or 5,254 residents. In comparison, the special needs population in the Greater Lowell region was 17.8% of the total population or 45,721 residents. The Town of Billerica ranked fifth in the region in terms of the overall percentage of special needs residents. Based upon age breakdown, the special needs population in Billerica comprised 42.2% of the 65 years and older group, 14% of the population between 21 and 64 years of age and 7.4% of the population aged 5 through 20. Outlined below in Table 2 is a comparison of the special needs populations in Billerica and the NMCOG region by sex and age:

Table 2: Special Needs Population by Age and Sex

		<u>5-15</u>	<u>16-20</u>	<u>21-64</u>	<u>65-74</u>	<u>75+</u>	<u>Total</u>
Billerica	Male	254	135	1,687	409	186	2,671
	Female	98	156	1,584	343	402	2,583
	Total	352	291	3,271	752	588	5,254
NMCOG Region	Male	1,856	1,254	14,942	2,448	2,042	22,542
	Female	1,023	1,273	14,229	2,650	4,004	23,179
	Total	2,879	2,527	29,171	5,098	6,046	45,721

Source: U.S. Census for 2000

In terms of the type of disabilities, the U.S. Census categorizes disabilities as follows: sensory, physical, mental, self-care, go-outside-home and employment. According to the 2000 U.S. Census, 8,972 disabilities were tallied in Billerica, as compared to 80,928 in the region as a whole. It should be noted that disabled residents can experience more than one form of disability so there is multiple counting within these estimates. Table 3 below breaks out these estimates by age group and types of disabilities:

Table 3: Special Needs Population by Disability

	<u>Billerica</u>	<u>NMCOG Region</u>
Total disabilities tallied:	8,972	80,298
5-15 years old:	467	3,662
Sensory disability:	46	489
Physical disability:	68	412
Mental disability:	303	2,320
Self-care disability:	50	441
16-64 years old:	5,972	55,114
Sensory disability:	529	3,660
Physical disability:	1,032	9,460
Mental disability:	669	7,271
Self-care disability:	306	2,760
Go-outside-home disability:	958	11,272
Employment disability:	2,478	20,691
65 years +:	2,533	22,152
Sensory disability:	422	3,938
Physical disability:	851	7,195
Mental disability:	319	2,776
Self-care disability:	348	2,472
Go-outside-home disability:	593	5,771

Source: U.S. Census for 2000

The Special Needs population represents a significant portion of the community and the Town of Billerica has addressed their housing needs through the Billerica Housing Authority and in partnership with the Departments of Mental Health and Retardation. This segment of the population represents a targeted group of Billerica's Affordable Housing Productivity Plan.

C. Population Change by Race and Hispanic Origin

Based upon a review of the 1990 and 2000 U.S. Census data, the percentage of non-White and Hispanic residents in the Town of Billerica and the NMCOG Region has increased substantially. Furthermore, the increase in minority populations has occurred in the suburban communities, as well as in the City of Lowell. Between 1990 and 2000 the Town of Billerica's non-White population grew by 74.7% and its Hispanic population increased by 60.9%, while the region experienced a 78.4% increase in its non-White population and a 45.5% increase in Hispanic residents. Overall, though, the percentage of non-White residents in Billerica in 2000 represented only 5.3% of the total population, while Hispanic residents accounted for 1.5% of Billerica's population. The NMCOG Region, on the other hand, had a non-White population of 14.9% in 2000 and a Hispanic population that represented 6.1% of the region's total population. Outlined on the next page in Table 4 is a comparison of the 1990 and 2000 U.S. Census data for Billerica and the NMCOG Region for racial and Hispanic composition:

Table 4: Population Change by Race and Hispanic Origin

	Billerica		NMCOG Region	
<u>Race/Hispanic Origin</u>	<u>1990</u>	<u>2000</u>	<u>1990</u>	<u>2000</u>
White	36,421(96.8%)	36,906 (94.7%)	240,097(91.1%)	239,190 (85.1%)
Black or African American	374 (1.0%)	432 (1.1%)	3,181 (1.2%)	5,709 (2.0%)
American Indian or Alaska Native	52 (0.1%)	39 (0.1%)	377 (0.1%)	434 (0.2%)
Asian	605 (1.6%)	1,074 (2.8%)	14,066 (5.3%)	22,597 (8.0%)
Hawaiian or Pacific Islander	0	16 (0.1%)	0	66 (0.1%)
Other or Multiple Races	157 (0.4%)	514 (1.3%)	5,937 (2.3%)	13,220 (4.7%)
TOTAL	37,609 (99.9)	38,981 (100.1%)	263,658 (100.0)	281,225 (100.1%)
Hispanic or Latino	373 (1.0)	600 (1.5%)	11,702 (4.4%)	17,028 (6.1%)

Source: U.S. Census for 1990 and 2000

These racial and Hispanic figures for the region are recognized by the Town of Billerica for housing purposes related to lotteries for affordable housing units and in complying with the Fair Housing laws. As part of this Affordable Housing Productivity Plan, the Town of Billerica acknowledges its responsibility in ensuring that minority groups are afforded housing opportunities as prescribed by federal and state law and in accordance with the Town's Fair Housing Plan.

D. Population Change by Age Group

In comparing 1990 and 2000 U.S. Census data, the median age has increased in Billerica by 15.1% from 31.2 years in 1990 to 35.9 years in 2000. The growth in the 45-64 (29.7%) and 65+ (27.2%) age cohorts and the reduction in the Under 5 (-3.7%) and 18-24 (-35.6%) age cohorts largely impact this increase in the median age. While the median age in Billerica in 1990 was slightly less than the median age for the region, it is more than a year older than the region's median age as of 2000. This reflects the aging of families in Billerica and the lack of affordable housing for new families interested in raising a family in Billerica.

Based upon a comparison of the age cohorts, the 3.6% growth in population in Billerica between 1990 and 2000 can be largely attributed to the growth in the 45-64 and 65+ age groups, while the growth in the region during the same period was largely due to the increase in the 5-17, 45-64 and 65+ age groups. Housing should be targeted for these age groups with more 55+ and elderly housing constructed to meet the growing demand. Developing these forms of housing will free up more traditional housing for younger families, thus increasing their numbers as well. Table 5 below compares the population change by age group in Billerica and the NMCOG region:

Table 5: Population Change by Age Group

	Billerica			NMCOG		
	<u>1990</u>	<u>2000</u>	<u>Change</u>	<u>1990</u>	<u>2000</u>	<u>Change</u>
	# (%)	# (%)	# (%)	# (%)	# (%)	# (%)
Under 5	2,791 (7.4)	2,689 (6.9)	- 102 (-3.7)	21,214 (8.0)	20,536 (7.3)	- 678 (3.2)
5-17	6,884 (18.3)	7,345 (18.8)	461 (6.7)	47,209 (17.9)	55,054 (19.6)	7,845 (16.6)
18-24	4,559 (12.1)	2,846 (7.3)	-1,71 (-35.6)	30,779 (1.7)	23,360 (8.3)	-7,419 (-24.1)
25-44	13,597 (36.2)	13,484 (34.6)	- 113 (-0.8)	91,159 (34.6)	92,446 (32.9)	1,287 (1.4)
45-64	7,215 (19.2)	9,357 (24.0)	2,142 (29.7)	47,277 (17.9)	60,964 (21.7)	13,687 (29.0)
65 +	2,563 (6.8)	3,260 (8.4)	697 (27.2)	26,018 (9.9)	28,865 (10.3)	2,847 (10.9)
Total	37,609	38,981	1,372 (3.6)	263,656	281,225	17,569 (6.7%)
Median Age	31.2	35.9	4.7 (15.1)	31.3	34.8	3.5 (11.2)

Source: U.S. Census for 1990 and 2000

E. Households

The U.S. Census defines “households” as being equivalent to “occupied housing units”. Table 6 below summarizes the growth in households in Billerica and the NMCOG region since 1980, while also providing projections for each five-year period from 2000 to 2025. Households are projected to increase by 17.4% in Billerica between 2000 and 2025, while the projected increase for the region during the same period of time is expected to be 25%. The average household size in Billerica decreased from 3.13 persons per household in 1990 to 2.92 persons per household in 2000, while the figures for the NMCOG region were 2.85 persons per household in 1990 and 2.77 persons per household in 2000. In general, then, the average household size in Billerica remains larger than that for the region as a whole, however the reduction in average household size between 1990 and 2000 was nearly two and a half times that of the region.

Table 6: Households (1980, 1990, 2000, Projections)

	1980	1990	2000	2005	2010	2015	2020	2025
Billerica	10,645	11,687	12,961	13,388	13,885	14,402	14,838	15,215
% Growth	NA	9.8	10.9	3.3	3.7	3.7	3.0	2.5
NMCOG	74,923	90,191	99,342	105,500	110,300	115,300	120,300	124,200
% Growth	NA	20.4	10.1	6.2	4.5	4.5	4.3	3.2

Source: 1980, 1990 and 2000: U.S. Census

2005-2025: Massachusetts Highway Department with review by NMCOG.

NA- Not Available

Within certain age cohorts, it is interesting to note the make-up of the head of households by sex and age. For instance, for the elderly, the breakdown of head of households by sex and age reflects the distribution of the elderly population and indicates how the percentage of female head of households increases with age. Based upon information from the U.S. Census for 2000, the comparison for Billerica and the NMCOG Region for the elderly head of households is summarized in Table 7 on the next page:

Table 7: Senior Head of Households by Age and Sex (2000)

<u>Age</u>	<u>Billerica</u>			<u>NMCOG Region</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
65-66	260	285	545	1,657	1,705	3,362
67-69	315	284	599	2,443	2,983	5,426
70-74	364	486	850	2,950	4,008	6,958
75-79	249	397	646	2,174	3,515	5,689
80-84	135	209	344	1,332	2,762	4,094
85+	49	254	303	770	2,302	3,072
Total	1,372	1,915	3,287	11,326	17,275	28,601

Source: U.S. Census for 2000

F. Housing Units

Due to the inclusion of vacant housing units, the Housing Units category is larger than the Household category. Table 8 below illustrates the growth in housing units from 1980 to 2000 in the Town of Billerica and the NMCOG region. During this period of time, the Town of Billerica has experienced a 20.1% growth in housing units, while the NMCOG region's supply of housing units has increased by 30.3%. As shown in Table 8 below, Billerica experienced a 33% increase in housing units between 1970 and 1980, while the NMCOG region experienced two periods of 21% or higher growth between 1970 and 1980 and 1980 and 1990.

Single-family homes comprised 82.5% of Billerica's housing stock in 2000 according to the U.S. Census, as compared to 63.5% for the region. Therefore, the availability of housing choices is more prevalent in the region than in the Town of Billerica. During the past five years, the Billerica Building Department issued 469 single-family permits and 144 town house permits. The growth in town houses has provided a more affordable housing option for families in Billerica. The continued growth in housing units should mirror the projected growth in households.

Table 8: Housing Units (1980, 1990, 2000)

	<u>Billerica</u>			<u>NMCOG</u>		
	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>
Total Housing Units	10,884	12,005	13,071	78,249	95,156	101,973
Percentage Growth	33.0	10.3	8.9	21.0	21.6	7.2

Source: 1990 and 2000 U.S. Census

G. Housing Unit Characteristics

The Town of Billerica experienced an 8.9% growth in housing units between 1990 and 2000, as compared to the 7.2% growth in the NMCOG region for the same period of time. Billerica had slightly higher occupancy rates than the NMCOG region in both 1990 and 2000 and its percentage of owner occupied housing was nearly 16% higher than the region in 2000. Conversely, the renter occupied housing in the region was nearly 16% higher than the Town of Billerica in 2000 largely because the City of Lowell accounted for nearly 70% of all rental units in the region. Due to the improved economy in 1999, the total number of vacant units in Billerica declined between 1990 and 2000 by more than half (51%), as compared to the region's lower decline of 47.8%. As shown in Table 9 below, the owner and rental vacancy rates in the Town of Billerica declined between 1990 and 2000 and were significantly lower than the region as a whole. The figures from

2000 reflect a very tight housing market in the Town of Billerica and a fairly tight housing market in the region. Table 9 below summarizes the changes in Housing Unit Characteristics between 1990 and 2000 in the Town of Billerica and the NMCOG region:

Table 9: Housing Unit Characteristics

	Billerica		NMCOG	
	<u>1990</u>	<u>2000</u>	<u>1990</u>	<u>2000</u>
Total Units	12,005	13,071	95,156	101,973
Total Occupied	11,695 (97.4)	12,919 (98.8)	90,049 (94.6)	99,342 (97.4)
Owner Occupied	9,630 (82.3)	10,899 (84.4)	59,312 (65.9)	68,347 (68.8)
Renter Occupied	2,065 (17.7)	2,020 (15.6)	30,807 (34.2)	30,995 (31.2)
Total Vacant	310 (2.6)	152 (1.2)	5,037 (5.3)	2,631 (2.6)
For Sale	48 (15.5)	23 (15.1)	644 (12.8)	344 (13.1)
For Rent	152 (49.0)	42 (27.6)	2,914 (57.9)	962 (36.6%)
Other Vacant	110 (35.5)	87 (57.2)	1,479 (29.4)	1,325 (50.4)
Owner Vacancy Rate	0.5%	0.2%	1.1%	0.5%
Rental Vacancy Rate	6.9%	2.0%	8.6%	3.0%

Source: 1990 and 2000 U.S. Census

H. Income Distribution

The median income in Billerica increased by 35% between 1990 and 2000, as compared to the NMCOG region's increase of 36% for the same time period. However, the median income in Billerica was nearly 16% higher than the region as a whole in 2000. This percentage reflected a decrease from the 1990 figures that showed Billerica's median income being 16.7% higher than the median income for the Greater Lowell area. According to the 2000 U.S. Census, the 1999 Lowell MA-NH PMSA median income was \$ 67,841, while the 2003 area median income was \$ 79,700.

Based upon the figures presented in Table 10 on the next page, the greatest growth in households was in the \$75,000-\$99,999, \$100,000- \$149,000, and \$150,000 or more categories in Billerica and the NMCOG region. With the exception of the \$10,000-14,999 category, all the other income categories in Billerica decreased as a percentage of the total household population. Within the NMCOG region, all the other categories decreased as a percentage of the total household population. According to the 2000 U.S. Census, 267 households (2.1%) in Billerica and 2,280 (2.3%) households in the NMCOG region earned \$ 200,000 or more in 1999. Table 10 on the next page summarizes the income distribution information for Billerica and the NMCOG region for 1990 and 2000.

Table 10: Income Distribution (1990, 2000)

	Billerica		NMCOG	
	1990 <u>Households (%)</u>	2000 <u>Households (%)</u>	1990 <u>Households (%)</u>	2000 <u>Households (%)</u>
Less than \$ 10,000	702 (6.0)	353 (2.7)	10,570 (11.7)	6,844 (6.9)
\$ 10,000-\$ 14,999	318 (2.7)	401 (3.1)	4,709 (5.2)	4,756 (4.8)
\$ 15,000-\$ 24,999	904 (7.7)	816 (6.3)	9,780 (10.9)	8,441 (8.5)
\$ 25,000-\$ 34,999	1,325 (11.3)	875 (6.8)	11,323 (12.6)	9,052 (9.1)
\$ 35,000-\$ 49,999	2,549 (21.8)	1,720 (13.3)	17,794 (19.7)	14,660 (14.7)
\$ 50,000-\$ 74,999	3,608 (30.9)	3,324 (25.6)	21,526 (23.9)	21,472 (21.6)
\$ 75,000-\$ 99,999	1,662 (14.2)	2,615 (20.2)	9,150 (10.2)	15,100 (15.2)
\$ 100,000-\$ 149,999	572 (4.9)	2,103 (16.2)	4,199 (4.7)	13,342 (13.4)
\$ 150,000 or more	47 (0.4)	754 (5.8)	1,067 (1.2)	5,875 (5.9)
TOTAL	11,687 (99.9)	12,961 (100)	90,118 (100.1)	99,542 (100.1)
Median Income	\$ 50,210	\$ 67,799	\$ 43,008	\$ 58,472

Source: 1990 and 2000 U.S. Census

In analyzing the income distribution figures for Billerica and the NMCOG Region, it is useful to determine the percentage of extremely low-income (30% of median income), low-income (50% of median income), moderate income (80% of median income) and middle income (95% of median income) populations. Based upon the median income figure (\$ 67,841) for the Lowell MA-NH PMSA for 2000, approximately 9.2% of households (1,189 out of 12,961) in Billerica made less than 30% (\$ 20,352.30) of the area's median income. An additional 8.9% of Billerica households (1,160 out of 12,961) earned 30% or more but less than 50% of the area's median income (\$ 33,920.50) and would qualify as low-income households. Those households qualifying as moderate income represented an additional 18.4% of Billerica households (2,382 out of 12,961) and earned more than 50% but less than 80% of the area's median income (\$ 54,272.80). Finally, for those households (1,353 out of 12,961) that earned more than 80% of the area's median income but less than 95% (\$ 64,448.95), 10.4% of Billerica households would qualify as middle-income populations.

The Town of Billerica enjoys higher income figures than the majority of communities in the NMCOG region. However, as will be shown later, the increase in income has not kept up with rising housing costs!

I. Housing Ownership Data

In analyzing the affordability of housing in a community, it is important to review the Housing Values, Monthly Mortgage Payments and Owner Costs as a Percentage of Household Income. Tables 11, 12 and 13 summarize this information comparing Billerica and the NMCOG region in 1990 and 2000. Table 11 on the next page compares the difference in housing values in 1990 and 2000 and illustrates how the town of Billerica compares with the region as a whole. Median housing values in Billerica increased by 26.5% between 1990 and 2000, as compared to the 31.3% increase for the region during the same period of time. However, the median housing value in Billerica in 2000 was 6.3% higher than the region's median housing value.

The availability of housing with values less than \$ 200,000 declined between 1990 and 2000 in Billerica and the NMCOG region, however, the overall composition was somewhat different with only 47.5% of Billerica's housing stock valued at less than \$ 200,000 and 55.7% of NMCOG

region's housing stock valued under \$ 200,000. The region has a slightly greater percentage of houses valued in the \$500,000 or more categories, while 43.9% of Billerica's housing stock in 2000 was valued between \$200,000 and \$200,999. As will be shown later in this document, these housing values have increased substantially since 2000, making it more difficult to afford quality housing in Billerica and the NMCOG region. See Table 11 below for additional information.

Table 11: Housing Values (1990, 2000)

	Billerica				NMCOG			
	1990		2000		1990		2000	
	#	%	#	%	#	%	#	%
Less than \$ 50,000	52	0.6	49	0.5	408	0.8	327	0.6
\$ 50,000 – 99,999	361	4.1	164	1.7	3,488	7.2	3,232	5.6
\$ 100,000 – 149,999	2,608	29.8	1,240	12.5	15,781	32.6	11,678	20.2
\$ 150,000 – 199,999	4,743	54.2	3,244	32.8	18,486	38.2	16,958	29.3
\$ 200,000 – 299,999	929	10.6	4,344	43.9	8,631	17.9	18,693	32.3
\$ 300,000 – 499,999	49	0.6	804	8.1	1,417	2.9	6,308	18.9
\$ 500,000 or more*	6	0.1	43	0.4	128	0.3	608	1.0
TOTAL	8,748	100.0	9,888	99.9	48,339	99.9	57,814	100.0
Median Value	\$ 161,800		\$ 204,600		\$ 146,545		\$ 192,419	

Source: 1990 and 2000 U.S. Census

Another important element to analyze in terms of home ownership is the monthly mortgage payments paid by individual homeowners. The range of payments for mortgages in a community can be illustrated as a result of the information presented below in Table 8. According to the U.S. Census, the median mortgage in Billerica increased by 44% between 1990 and 2000, as compared to the increase of 34.4% in the NMCOG region. The median mortgage for a homeowner in Billerica continues to be slightly less than the median mortgage for a homeowner in the NMCOG region in 2000. Only 14.7% of Billerica homeowners paid less than \$ 1,000 per month in mortgage payments in 1999, while 15.2% of NMCOG region homeowners paid this amount. On the other end of the scale, the number of homeowners paying \$2,000 per month in mortgage payments increased by 635.7% in Billerica and 288.8% in the NMCOG region.

Table 12: Mortgage – Monthly Payments (1990, 2000)

	Billerica				NMCOG			
	1990		2000		1990		2000	
	#	%	#	%	#	%	#	%
<u>Monthly Payments</u>								
Less than \$ 300	24	0.3	0	0	280	0.6	0	0
\$ 300 – 499	970	11.1	72	0.7	4,138	8.6	424	0.7
\$ 500 – 699	1,194	13.6	324	3.3	4,946	10.2	1,969	3.4
\$ 700 – 999	1,582	18.1	1,061	10.7	8,186	16.9	6,437	11.1
\$ 1,000 – 1,499	2,491	28.5	3,211	32.5	12,775	26.4	17,203	29.8
\$ 1,500 – 1,999	677	7.7	2,078	21.0	4,709	9.7	11,860	20.5
\$ 2,000 or more	126	1.4	927	9.4	1,628	3.4	6,330	10.9
<i>Total Mortgages</i>	7,064	80.7	7,673	77.6	36,662	75.8	44,223	76.5
Median Mortgage	\$ 959		\$ 1,381		\$ 1,036		\$ 1,392	
<i>Not Mortgaged</i>	1,684	19.3	2,215	22.4	11,677	24.2	13,591	23.5
Median payment	\$ 303		\$ 418		\$ 296		\$ 421	
TOTAL	8,748	100.0	9,888	100.0	48,339	100.0	57,814	100.0

Source: 1990 and 2000 U.S. Census

If you adhere to the rule of thumb in the housing industry, families should not pay more than 30% of their household income on housing costs. Table 13 below reflects the Owner Costs as a Percentage of Household Income in Billerica and the NMCOG region for 1990 and 2000. Even though the economy improved between 1989 and 1999, the number of households paying 30% or more in housing costs in Billerica increased by 340 households or 17.3%. The NMCOG region experienced an increase of 1,601 households or 14.6% in this category. The overall percentage of Billerica households paying more than 30% increased from 22.5% in 1990 to 23.3% in 2000, while NMCOG region households actually decreased from 22.7% to 21.7% during the same period. The most important point, though, is that more than one-fifth of homeowners in Billerica and the NMCOG region continue to pay more than 30% of their household income for housing costs.

Table 13: Owner Costs as a Percentage of Household Income

Owner Costs as a % of Household Income	#	Billerica				NMCOG			
		1990		2000		1990		2000	
		#	%	#	%	#	%	#	%
0 - 19.9	4,533	51.8	4,763	48.2	24,339	50.4	29,251	50.6	
20 - 24.9	1,197	13.7	1,687	17.1	6,890	14.3	9,575	16.6	
25 - 29.9	1,017	11.6	1,084	11.0	5,950	12.3	6,169	10.7	
30 - 34.9	753	8.6	723	7.3	3,715	7.7	3,782	6.5	
35 or more	1,212	13.9	1,582	16.0	7,255	15.0	8,789	15.2	
Not Computed	36	0.4	49	0.5	190	0.4	248	0.4	
TOTAL	8,748	100.0	9,888	100.1	48,339	100.1	57,814	100.0	

Source: 1990 and 2000 U.S. Census

According to the U.S. Census for 2000, the median price for housing in Billerica was \$209,699 and the lower quartile price was \$165,500. How much would it cost for a renter with median income, in terms of a downpayment and mortgage, if the housing costs were limited to 30% for each of these scenarios? Assuming that the prospective Billerica homeowner could obtain a thirty-year mortgage at a local bank at 6% interest, the two scenarios would work out as follows:

1) \$240,000 median housing price

\$240,000 @ 6% for 30 years requires a monthly payment of \$1,226.68
.30 x income available for monthly payments (\$1218) = \$365.40
which qualifies for a \$61,000 mortgage.
The downpayment needed would be \$143,600.

2) \$165,500 lower quartile housing price

\$165,500 @ 6% for 30 years requires a monthly payment of \$992.26
.30 x income available for monthly payments (\$1218) = 365.40
which qualifies for a \$61,000 mortgage.
The downpayment needed would be \$104,500.



Photo: NMCOG

J. Rental Housing Data

The rental housing market in Billerica is somewhat limited, accounting for only 15.6% of the occupied housing units in 2000. This rental housing market, though, plays a role in providing more affordable housing and in serving the business community with short-term leases. The percentage of renter occupied units in Billerica actually decreased from 17.7% in 1990 to 15.6% in 2000 and represented only half of the percentage of renter occupied units in the NMCOG region. Even with a rental vacancy rate of only 2% in 2000, as compared to the 1990 rate of 6.9%, the Town of Billerica lost 45 rental units, while the NMCOG region added nearly 200 rental units during the same period. Rental housing provides an affordable housing option within a community that has seen home prices escalate dramatically. There is a critical need for additional rental housing in order to provide affordable housing options to Billerica residents and newcomers.

In order to understand the rental market in Billerica, it is imperative to have background information on the rental housing stock in the community, as well as the renters themselves. First of all, there are three questions to answer about the rental housing stock – What kind of housing is rental? How new is the community's rental housing? What is the composition of the rental housing by bedroom size? The answers to these questions provide the basis for understanding how the rental market works in Billerica.

In response to the first question, Billerica has a much greater portion of single-family houses for rental properties than the NMCOG region or the state as a whole. Based upon a sample response in the U.S. Census for 2000, renters of single-family houses in the Commonwealth of Massachusetts comprise 9.6% of the total population, while the same group in the NMCOG region accounts for 13.3%. In the Town of Billerica, however, approximately 27% of its renters live in single-family houses. In the NMCOG region, the largest percentage of renters live in duplexes (18.7%), while Billerica renters of duplexes accounted for only 14.6%. Table 14 on the following page compares the kind of housing rented in the Town of Billerica and the NMCOG region as of 2000:

Table 14: Rental Properties by Type, 2000

Type of Housing	Billerica	NMCOG
Single	555 (24.7%)	4,134 (13.3%)
2	300 (14.6%)	5,805 (18.7%)
3 or 4	174 (8.5%)	5,092 (16.4%)
5 – 9	73 (3.6%)	4,281 (13.8%)
10 – 19	244 (11.9%)	4,295 (13.9%)
20 – 49	576 (28.0%)	4,243 (13.7%)
50 or more	134 (6.5%)	3,005 (9.7%)
Mobile home	0 (0)	113 (0.4%)
Boat, RV, van, etc.	0 (0)	0 (0)
TOTAL	2,056	30,983

Source: U.S. Census for 2000

The age of a community's rental stock can determine what the level of need is within the community. For instance, according to the U.S. Census for 2000, the Commonwealth of Massachusetts' rental housing stock is almost evenly split between pre-1950 rental housing (49%) and post-1950 rental housing (51%). In comparison, the NMCOG region's rental housing stock built prior to 1950 was only 44.4%, while the Town of Billerica had only 19.8% of its rental housing stock built before 1950. On the other hand, according to the sampling technique used by the U.S. Census, the Town of Billerica had only 0.3% of its rental housing stock built between 1990 and March 2000. Communities within the NMCOG region had 5.1% of their rental housing stock built during this period, compared to the 4% figure for the state as a whole. In general, the older the rental housing, the greater the need for improvements. Outlined below in Table 15 is a comparison of the percentage of rental housing built during specific time periods in Billerica, the NMCOG region and the State:

Table 15: Percentage of Rental Housing Built by Period as of 2000

Period Built	Billerica	NMCOG Region	Massachusetts
1990 - March 2000	0.3%	5.1%	4.0%
1980 – 1990	16.1%	13.5%	9.0%
1970 – 1979	33.9%	15.8%	15.0%
1960 – 1969	20.0%	11.8%	12.0%
1950 – 1959	10.0%	9.4%	11.0%
Pre-1950	19.8%	44.4%	49.0%

Source: U.S. Census for 2000

Based upon data provided through the Census H42 sample, information on bedroom size was available for renters in Billerica and the NMCOG region. Approximately three-quarters of available rental units in Billerica (74.7%) and the NMCOG region (76.2%) were 2-bedrooms or less. One of the major problems to be addressed in the overall state housing market is the lack of 3-bedrooms or greater rental units to house larger families. The only major difference between the Billerica and NMCOG rental markets was the fewer studio and one-bedroom units in Billerica and the fewer 2-bedroom units in the region. Table 16 on the following page provides a comparison of the two rental markets by bedroom size:

Table 16: Tenure by Number of Bedrooms

<u>Bedroom Size</u>	<u>Billerica</u>	<u>NMCOG Region</u>
Studio	49 (2.4%)	1,772 (5.7%)
1-bedroom	372 (18.1%)	8,469 (27.3%)
2-bedrooms	1,115 (54.2%)	13,395 (43.2%)
3-bedrooms	389 (18.9%)	5,753 (18.6%)
4-bedrooms	114 (5.5%)	1,192 (3.8%)
5 or more bedrooms	17 (0.8%)	402 (1.3%)
TOTAL	2,056	30,983

Source: U.S Census for 2000

The profile of the renter in Billerica and the NMCOG region can be developed by responding to several questions – How old are renters? How large are their families? How long have renters lived at their current addresses? How much rent do they pay? What are their income levels? How many of the renters pay more than 30% of their income on housing costs?

The age of the householders in rental housing in the Billerica and NMCOG region market are fairly similar with approximately 16% of the renters, being 65 years or older. (Massachusetts is slightly higher at 19%.) While 31.8% of all householders 65 years and older statewide live in rental housing, only 28.5 % of their counterparts in the NMCOG region and 17.1% of the same age group in Billerica live in rental housing. The comparison by age of the rental householder in Billerica and the NMCOG region is summarized in Table 17 below:

Table 17: Age of Renter Householders

<u>Age of Householder</u>	<u>Billerica</u>	<u>NMCOG Region</u>
15 – 24	105 (5.1%)	2,473 (8.0%)
25 – 34	686 (33.4%)	8,771 (28.3%)
35 - 44	419 (20.4%)	7,409 (23.9%)
45 – 54	339 (16.5%)	4,686 (15.1%)
55 – 59	88 (4.6%)	1,435 (4.6%)
60 – 64	90 (4.4%)	1,256 (4.1%)
65 – 74	131 (6.4%)	2,182 (7.0%)
75 – 84	159 (7.7%)	2,024 (6.5%)
85 +	39 (1.9%)	747 (2.4%)
TOTAL	2,056	30,983

Source: U.S. Census for 2000

Similar to the previous information on bedroom sizes, the larger families renting property are principally in the urban areas, such as Lowell. Therefore, the size of families is greater in the NMCOG region than on Billerica. Families in rental units with five members or more comprise 10.3% of the rental market in the NMCOG region and only 5.7% in Billerica. One- person families are also slightly more predominant in the NMCOG region (36.1%) than in Billerica (32.6%). The bulk of the Billerica rental market is comprised of the 2- (30.5%), 3- (17.1%), and 4-person (14.1%) family household size. Table 18 on the following page compares the household size of renters in Billerica and the NMCOG region:

Table 18: Rental Units by Household Size

<u>Household Size</u>	<u>Billerica</u>	<u>NMCOG Region</u>
1-person	670 (32.6%)	11,190 (36.1%)
2-person	627 (30.5%)	8,231 (26.6%)
3-person	351 (17.1%)	4,788 (15.5%)
4-person	290 (14.1%)	3,572 (11.5%)
5-person	79 (3.8%)	1,719 (5.5%)
6-person	25 (1.2%)	878 (2.8%)
7 or more-person	14 (0.7%)	605 (2.0%)
TOTAL	2,056	30,983

Source: U.S. Census for 2000

During the period from 1999 to March 2000, nearly a third of Billerica renters (32.7%) moved into their rental unit, while less than 30% of renters statewide (29.5%) and in the NMCOG region (29.1%) made a similar move. Although Billerica renters had a higher turnover rate than statewide renters between 1999 and March 2000, there is still a great need for rental housing in Billerica. Part of this movement may be attributable to companies moving their workers in for short stays. According to the U.S. Census for 2000, slightly more renters in Billerica (18.3%) have been in their rental unit since 1990 than renters in the NMCOG region (14.3%). A comparison of these statistics is summarized in Table 19 below:

Table 19: Renter Turnover Rates

<u>Moved</u>	<u>Billerica</u>	<u>NMCOG Region</u>
1999 - March 2000	673 (32.7%)	9,012 (29.1%)
1995 - 1998	728 (35.4%)	12,777 (41.2%)
1990 - 1994	278 (13.5%)	4,761 (15.4%)
1980 - 1989	238 (11.6%)	2,721 (8.8%)
1970 - 1979	79 (3.8%)	850 (2.7%)
1969 or earlier	60 (2.9%)	862 (2.8%)
Total	2,056	30,983

Source: U.S. Census for 2000

Based upon the U.S. Census for 2000, Billerica renters paid a median rent of \$897 per month, which was 16% higher than the average rent for a renter in the NMCOG region (\$773) and 31.1% higher than the median rent for a renter statewide (\$684). Billerica renters paid the third highest monthly rent in the NMCOG region behind Tewksbury (\$936) and Dunstable (\$908), while renters in Lowell paid a median rent of \$627 per month. In comparing 1990 and 2000 Census information, the median gross rent in Billerica increased from \$736 in 1990 to \$897 in 2000, which represented an overall increase of 21.9%. Even though the median gross rent levels remain lower in the NMCOG region as a whole, they still increased from \$598 in 1990 to \$677 in 2000 for an increase of 13.2%. As mentioned previously, the City of Lowell accounted for nearly 70% of the rental units in the NMCOG region, thus keeping the overall rent levels at a lower level. Upon examination of the data in Table 20 on the following page, the percentage of rental units in Billerica with gross rents of \$1,000 or more increased from 11.9% in 1990 to 33.3% in 2000. The greatest percentage of rental units in the NMCOG region is in the \$500 - \$749 gross rent category, while the percentage of rental units with gross rents of \$1,000 or more increased from 5.3% in 1990 to 11.1% in 2000. Billerica has the higher end rental market in the region, which often competes with available town houses and affordable housing ownership units.

Table 20: Gross Rent (1990, 2000)

	Billerica				NMCOG			
	1990		2000		1990		2000	
Gross Rent	#	%	#	%	#	%	#	%
Less than \$ 200	165	8.0	62	3.0	3,426	11.2	2,067	6.7
\$ 200 – 299	47	2.3	62	3.0	1,669	5.5	1,741	5.6
\$ 300 – 499	136	6.6	107	5.2	5,298	17.3	3,760	12.2
\$ 500 – 749	706	34.2	331	16.2	12,556	41.0	11,756	38.0
\$ 750 – 999	714	34.6	710	34.7	5,317	17.4	7,312	23.7
\$ 1,000 or more	246	11.9	682	33.3	1,612	5.3	3,454	11.1
No cash rent	51	2.5	94	4.6	719	2.3	826	2.7
TOTAL	2,065	100.0	2,048	100.0	30,597	100.0	30,916	100.0
Median Gross Rent	\$ 736		\$ 897		\$ 598		\$ 677	

Source: 1990 and 2000 U.S. Census

Table 21 below examines the Gross Rent as a Percentage of Household Income in Billerica and the NMCOG region for 1990 and 2000. The percentage of Billerica renters paying more than 30% of their household income for housing costs decreased from 32% in 1990 to 27.4% in 2000. Similarly, the percentage of renters in the NMCOG region paying more than 30% was 40.1 % in 1990 and 34.4% in 2000, which represented a decrease of 5.7%. Renters paying less than 20% of their household income in Billerica actually increased as an overall percentage from 25.8% in 1990 to 40.8% in 2000, while the percentages for the NMCOG region renter increased less dramatically from 26.6% in 1990 to 35% in 2000. However, the increase in this category would seem to indicate that wages were outstripping the market rental rates, thus enabling renters to pay a lower percentage for their housing costs.

Table 21: Gross Rent as a Percentage of Household Income (1990, 2000)

	Billerica				NMCOG			
	1990		2000		1990		2000	
Gross Rent as a % of Household Income	#	%	#	%	#	%	#	%
Less than 20%	532	25.8	836	40.8	8,134	26.6	10,826	35.0
20 – 24.9%	432	20.9	259	12.6	4,623	15.1	4,088	13.2
25 – 29.9%	378	18.3	273	13.3	4,401	14.4	3,826	12.4
30 – 34.9%	222	10.8	175	8.5	2,556	8.4	2,212	7.2
35 or more	437	21.2	388	18.9	9,695	31.7	8,418	27.2
Not Computed	64	3.1	117	5.7	1,188	3.9	1,546	5.0
TOTAL	2,065	100.0	2,048	99.8	30,597	100.1	30,916	100.0

Source: 1990 and 2000 U.S. Census

Upon closer examination of the income figures for renters, it is possible to identify which income groups have the highest percentage of renter households paying more than 30% of their income for housing costs. Based upon the sampling used by the U.S. Census in its 2000 Census, figures for Billerica and the NMCOG region may be compared. As presented in Table 22 on the next page, the Town of Billerica has a smaller percentage of total renters (27.5%) paying more than 30% of their income for housing costs than the NMCOG region (34.4%) or the State (36.4%). However, for those renters earning less than \$35,000 per year, the Town of Billerica has a higher percentage (64.6% of renters paying more than 30% of their income than the NMCOG region (58.7%) or the State (58.5%). The greater availability of subsidies for renters in urban areas may have an impact upon those figures. Table 22 below illustrates the higher percentage of 30% or more renters in the lower income categories for both the Town of Billerica and the NMCOG region:

Table 22: Rental Household Income and % Paying More Than 30%

<u>Income /30% or more</u>	<u>Billerica</u>	<u>NMCOG Region</u>
Less than \$10,000	107	5,136
30 or more	43 (40.2%)	3,226 (62.8%)
\$10,000 - \$19,000	254	5,379
30 or more	177 (69.7%)	3,847 (71.5%)
\$20,000 - \$34,199	303	6,507
30 or more	209 (69.0%)	2,916 (44.8%)
\$35,000 - \$49,999	394	5,264
30 or more	106 (26.9%)	510 (9.7%)
\$50,000 - \$74,999	516	5,263
30 or more	28 (5.4%)	111 (2.1%)
\$75,000 - \$99,999	295	2,104
30 or more	0 (0)	14 (0.7%)
\$100,000 +	179	1,263
30 or more	0 (0)	0 (0)
TOTAL	2,048 563 (27.5%)	30,916 (34.4%)

Source: U.S. Census for 2000

This brief overview of the rental housing market provides as detailed a summary of this market utilizing and comparing U.S. Census figures that exists today.

K. Conclusions

The need for affordable housing in Billerica has been exacerbated due to the increased cost of housing and the relatively modest income gains during the past decade. While the economic situation in Billerica improved between 1990 and 2000, the job situation in Billerica has steadily declined since 2000. As outlined in the Greater Lowell Comprehensive Economic Development Strategy (CEDS) developed in May 2004 for the Economic Development Administration (EDA), extensive layoffs in the information technology and computer manufacturing sectors resulted in the loss of 5,200 jobs in the Greater Lowell area between January 2002 and January 2003, which was the fourth largest percentage loss of employment (4.1%) in the country. The Town of Billerica has experienced a heavy loss of jobs with the departure of Nortel, the K-Mart Distribution Center and USF Red Star. In fact, more than half of the reported job losses in the Greater Lowell region during 2004 were in Billerica according to the Massachusetts Rapid Response Office. While new jobs are being created principally in the service sector, the lost manufacturing jobs are not returning. This situation has an impact upon the available wages for prospective homeowners.

As the economic situation in the Town of Billerica has gone through its ups and downs, the real estate market has remained heated and the price of housing has steadily increased. In particular, between 1996 and 2004 the median single-family sale price in Billerica increased by 130% from \$150,000 in 1996 to \$345,000 in 2004, according to the Warren Report. Even more significantly, while the median single-family increased by 60.9% between 1999 and 2003, the estimated median income for Billerica increased by only 7.7% during the same period. Those families that may have been able to afford a home in Billerica in 1999 couldn't afford one just four years later.

This first section of the Billerica Affordable Housing Productivity Plan provided an extensive amount of data principally from the 1990 and 2000 U.S. Census comparing and contrasting the Town of Billerica with the NMCOG region. This comparison was done principally to provide some perspective on the need for housing in Billerica, as it compared to the region. As a result of comparing this data, it has become clear that the Town of Billerica has the following needs which should be addressed through its Affordable Housing Productivity Plan:

- The Billerica Master Plan developed by Mullin Associates and approved by the Town of Billerica in 2003 outlines a specific set of goals and objectives that can encourage the growth of affordable housing in the community. While the Planning Board and the Director of Planning have supported implementation of these goals and objectives through Town Meeting, a limited number of initiatives have been approved to date that include incentives for providing additional affordable housing. An education process will continue at the town level to explain the costs and benefits of the specific recommendations.
- The Billerica Build-Out Study completed by NMCOG on behalf of the Executive Office of Environmental Affairs (EOEA) illustrated that the Town of Billerica was more fully developed than any other community in the region, except for the City of Lowell. Based upon the zoning in place in 2001, it was expected that the town's population would grow to 43,113 at full build-out (only 4,132 more than the 2000 population) and there would be an additional 1,718 residential lots. This limitation may be addressed by the Town's increasing willingness to approve non-40B multi-family development that has become an accepted option at appropriate locations.
- The comparison of population growth figures and projections demonstrated that the region will be growing at a much faster rate than the Town of Billerica. The Town has reached the point where there is limited developable land available and it must consider re-utilizing its developed land. The Special Needs population within the Town of Billerica has been growing and their housing needs will continue to be addressed in the future.
- The minority population in the region, although principally residing in the City of Lowell, has continued to grow in the suburbs as well. The Town of Billerica's non-White residents represent 5.3% of the total population, while Hispanic residents accounted for 1.5% of Billerica's population in 2000. Within the region, the percentage of non-White residents was nearly three times as large at 14.9%, while the Hispanic population comprised 6.1% of the region's population. The number of minority and Hispanic residents will continue to grow in the Town and the region requiring increased housing opportunities. The Town of Billerica will continue to fulfill its responsibilities under the Fair Housing Plan and will reach out to the minority and Hispanic communities in order to provide housing equivalent to their representation in the region. It has been the diversity of the population in the region, particularly within the City of Lowell, that has strengthened this region.
- Billerica's population is aging, as evidenced by the increase in the median age from 31.2 years in 1990 to 35.9 years in 2000. The median age in Billerica has gone from being slightly below the median age in the region to 1.1 years above the region's median age. The age cohorts experiencing growth between 1990 and 2000 were the

45-64 and 65+ groups, indicating the need for additional 55+ and elderly housing. With the availability of more affordable housing, it is likely that the 25-44 and 0-17 age cohorts could increase between now and 2010.

- The projected growth in households will be much higher in the NMCOC region than in the Town of Billerica. Due to the more fully developed state of Billerica, available development opportunities are limited and often compete with other initiatives – open space preservation, historic preservation and commercial uses. The average household size in Billerica and the NMCOC region are likely to decline even further during the next decade.
- Similar to the projected growth of households, the percentage growth of housing units to be established in Billerica will lag behind the region as a whole. It is important for residents and officials in Billerica to understand this situation so that they may prioritize their housing choices to address the needs of the elderly, special needs population, renters and young families. The creation of more housing choices for Billerica residents will help address the housing affordability issue.
- The Housing Unit Characteristics reflect the difference in housing markets in Billerica and the NMCOC region. With more than 80% of its occupied units being owner-occupied, the Town of Billerica has limited housing choices for renters. Within the NMCOC region there is more of a balance between owner (2/3) and rental (1/3) properties. Due to the fact that housing should be considered on a regional basis, residents of Billerica do benefit from the wide variety of housing choices in the neighboring communities. The respective vacancy rates illustrate how tight the housing markets are in Billerica and the NMCOC region and reflect the improved economic conditions in 1999 as compared to 1989.
- The median income for Billerica and the NMCOC region increased at relatively the same rate between 1990 and 2000. Yet, incomes in Billerica, while not being at the highest levels in the region, were higher than most communities in the region. The growth in the higher income cohorts would seem to reflect the availability of higher priced single-family homes. However, as will be shown later, the increase in the median incomes has not kept pace with the cost of housing. Based upon the median income figure of \$67,841 for the Lowell MA-NH PMSA in 2000, Billerica households earning less than \$54,272.80 would be considered in the affordable housing category.
- Median housing values in Billerica increased by 26.5% between 1990 and 2000, which was slightly less than the region as a whole. As will be illustrated in the next section, prices for single-family homes in Billerica began to rise in 1996 and have continued to increase at a rapid rate through 2005. Mortgage costs grew at a greater rate in Billerica between 1990 and 2000 than in the region, while the number of Billerica households paying more than 30% of their income on housing costs increased from 22.5% in 1990 to 23.3% in 2000. The two scenarios summarized in this section illustrate the difficulty that a renter with median income would have in being able to afford the median price for housing (\$209,699) in 2000, or even the lower quartile price of \$165,500. More residents are being shut out of the housing ownership market unless they can depend upon two higher-level salaries to provide

the downpayment and to afford the monthly mortgage payments. Based upon the data analyzed in this section, there is a critical need for affordable housing in Billerica. Notwithstanding the fact that the increasing cost of housing is being principally impacted by market forces, the Town of Billerica recognizes its responsibility in trying to address this issue through the development of this Plan.

- The rental housing market in Billerica, which is similar to most suburban communities, accounted for only 15.6% of the occupied housing units in 2000. More than one-quarter of the rental housing is located in single-family homes, which is nearly three times the amount statewide. The majority of rental housing in Billerica has been built since 1970 and the predominant bedroom-size for a rental is two-bedrooms. Even though more than 30% of the elderly statewide live in rental housing, the percentage for the Billerica elderly are half that amount, which generally reflects the continued ownership of housing by the elderly in Billerica. The median rent for Billerica renters in 2000 was \$897 per month, which was 31.1% higher than the median rent statewide. Although the total renter in Billerica paying more than 30% of their income for housing costs is approximately 27.5%, the percentage for Billerica renters earning less than \$35,000 jumps to 64.6%. Obviously, within this income group, there is an affordability problem that need to be addressed. There is a critical need for rental housing in Billerica, which has been reflected by the market place in terms of the types of housing development that are being proposed and built.

L. Maps

NMCOG has developed several GIS maps that illustrate the amount of growth in Billerica since 1990, as well as the basic infrastructure in place. These maps have been included to provide a visual of what has transpired in the community and can be found in the Appendix. The maps included are the Availability of Land and Basic Infrastructure maps, as well as the Residential Construction (1980 to the present) and Residential Land Use Change (1990 to 2005).

II. Current State of Housing

The cost and availability of housing in the Greater Lowell region has become a major issue, not only in terms of housing the region's population, but in being a constraint on economic growth in the region. Without a housing stock that is affordable to its workforce, the prospects for economic growth are limited. The cost of housing has become a major deterrent to the location of new workers in the area and has forced many workers to locate farther from their jobs in order to afford their housing. The Town of Billerica has not been immune from the high cost of housing nor the tight housing market that has affected most of Eastern Massachusetts. The following data on homeownership sales prices for single-family houses, condominiums and all houses, building permits for the past five years, rental housing rates and the affordable housing inventory provides a comparison of the current situation in Billerica vis-à-vis the Greater Lowell region. For the most part, Billerica's housing costs are above those for the region largely due to its location abutting the Greater Boston housing market and its easy access via Route 3. Another factor affecting these housing prices is the largely developed nature of the community that has driven land costs up and made it harder to restrain housing costs. Also included in this section is an overview of what the community has done to increase its supply of affordable housing and to address the housing needs of the special needs and elderly populations.

A. Homeownership Data

Based upon information developed by the Warren Group, single-family housing prices in the Greater Lowell area increased by 43.7% from January 2000 through June 2004. The median sales price for a single-family home in the region was \$261,668 in 2000 and \$318,456 at the midpoint of 2004. Overall sales figures were slightly lower in 2004 than they were in 2000.

The data for the Town of Billerica, as outlined in Table 23 below, shows that there was a 50.8% increase in the price of single-family houses between January 2000 and June 2004. This increase in housing costs was the second largest percentage increase in the region after the City of Lowell. Sales figures in 2004 adjusted for the full year show that housing sales in Billerica were 87.2% of the 2000 sales figures, as compared to the 97.3% figure for the region as a whole. In 2004 Billerica's median sales price was 5.6% higher than the region and ranked fifth behind Westford (\$435,000), Dunstable (\$394,750), Tewksbury (\$345,000) and Tyngsborough (\$344,950) in terms of highest median sales price in the region.

Table 23: Greater Lowell Single-Family Home Median Sales Price Increases, 2000-2004

<u>Community</u>	<u>2000 sales</u>	<u>2004* sales</u>	<u>2000 median sales price</u>	<u>2004* median sales price</u>	<u>Pct. increase 2000-2004</u>
Billerica	569	248	\$ 222,950	\$ 336,275	50.8
Chelmsford	360	193	\$ 243,000	\$ 335,000	37.9
Dracut	334	152	\$ 186,500	\$ 279,950	50.1
Dunstable	55	18	\$ 335,000	\$ 394,750	17.8
Lowell	680	363	\$ 144,700	\$ 239,900	65.8
Pepperell	133	83	\$ 240,000	\$ 335,000	39.6
Tewksbury	344	171	\$ 239,900	\$ 345,000	43.8
Tyngsborough	148	58	\$ 260,900	\$ 344,950	32.2
Westford	338	155	\$ 325,000	\$ 435,000	33.8
NMCOG Region	2,961	1,441	\$ 221,668 (est.)	\$ 318,546 (est.)	43.7 (est.)

*Source: The Warren Group (all data through June 2004) *Data covers first six months of 2004.*

The housing situation regarding condominium sales in Billerica and the Greater Lowell region is fairly similar to the single-family house market. Median sales prices for condominiums increased by 97.5% in Billerica between January 2000 and June 2004, as compared to the 70.1% median sales price increase in the region. Condominiums provide a more affordable housing option than single-family houses and are provided in every community in the region with the exception of Dunstable. Table 24 below shows that the median sales price of a condominium in Billerica increased from \$83,500 in 2000 to \$164,950 in June 2004, as compared to the regional condominium median sales price of \$120,883 in 2000 and \$205,565 in June 2004. The median sales price of a condominium in Billerica was 80.2% of the median sales price for a condominium in the region as of June 2004 and represented the lowest median sales price for condominiums in the NMCOG region. Adjusted condominium sales in Billerica as of June 2004 were 52.4% higher than sales in 2000, as compared to the region's annual adjusted sales figure for 2004, which was 13.8% higher than the 2000 sales figures.

Table 24: Greater Lowell Condominium Median Sales Price Increases, 2000-2004

<u>Community</u>	<u>2000 sales</u>	<u>2004* sales</u>	<u>2000 median sales price</u>	<u>2004* median sales price</u>	<u>Pct. increase 2000-2004</u>
Billerica	105	80	\$ 83,500	\$ 164,950	97.5
Chelmsford	272	158	\$ 154,000	\$ 249,950	62.3
Dracut	249	103	\$ 92,900	\$ 169,900	82.9
Dunstable	0	0	\$ 0	\$ 0	0
Lowell	497	317	\$ 85,000	\$ 165,000	94.1
Pepperell	15	5	\$ 116,000	\$ 200,000	72.4
Tewksbury	224	127	\$ 166,950	\$ 268,500	60.8
Tyngsborough	78	28	\$ 113,900	\$ 171,000	50.1
Westford	65	38	\$ 275,000	\$ 357,450	30.0
NMCOG Region	1,505	856	\$ 120,883 (est.)	\$ 205,565 (est.)	70.1 (est.)

*Source: The Warren Group (all data through June 2004) *Data covers first six months of 2004.*

When you combine the median sales prices for the single-family houses, condominiums and other housing options, the category of total homes median sales prices is created. According to figures developed by the Warren Group and shown in Table 25 on the next page, the total home median sales price in Billerica increased by 62.5% from \$ 200,000 in 2000 to \$325,000 in June 2004. The region experienced a 57.7% increase in the total home median sales prices from \$181,746 in 2000 to \$286,608 in June 2004. If you compare the 1999 housing values from the 2000 U.S. Census summarized in Table 11 with the home median sales prices outlined above, it shows that the cost of housing in Billerica decreased by 2.2% between 1999 and 2000 and increased by 58.8% between 1999 and June 2004. These increases were higher than the housing costs in the region, which decreased by 5.5% between 1999 and 2000 and increased by 48.9% between 1999 and June 2004. Annual sales figures for all homes in Billerica in June 2004, when adjusted on an annual basis, were 2.7% lower than the 2000 figure, while the regional sales figures were 4.8% higher on an annualized basis in June 2004 than 2000. Overall, then, the total home median sales price in June 2004 was 13.4% higher in Billerica than the region as a whole. In June 2004 Billerica was tied with Pepperell for third highest total home median sales price in the region behind only Westford (\$419,900) and Dunstable (\$380,000).

Table 25: Greater Lowell Total Home Median Sales Price Increases, 2000-2004

<u>Community</u>	<u>2000 sales</u>	<u>2004* sales</u>	<u>2000 median sales price</u>	<u>2004* median sales price</u>	<u>Pct. increase 2000-2004</u>
Billerica	783	381	\$ 200,000	\$ 325,000	62.5
Chelmsford	703	388	\$ 199,900	\$ 302,500	51.3
Dracut	680	327	\$ 141,500	\$ 249,900	76.6
Dunstable	82	23	\$ 300,000	\$ 380,000	26.7
Lowell	1,807	1,058	\$ 125,000	\$ 230,000	84.0
Pepperell	225	110	\$ 217,000	\$ 325,000	49.8
Tewksbury	614	333	\$ 201,950	\$ 320,500	58.7
Tyngsborough	272	108	\$ 209,950	\$ 305,000	45.3
Westford	490	236	\$ 314,700	\$ 419,900	33.4
NMCOG Region	5,656	2,964	\$ 181,746 (est.)	\$ 286,608 (est.)	57.7 (est.)

*Source: The Warren Group (all data through June 2004) *Data covers first six months of 2004.*

Table 26 below summarizes data from the Warren Group that illustrates the trends in housing sales and median sales prices in Billerica between 2000 and June 2004. This information shows the fluctuations in the sales of single-family, condominiums and all housing units during this period and the increasing median sales prices from year to year within each category. While it appears that the cost of condominiums has leveled off from 2003 to June 2004, the cost of single-family houses continues to increase at an annual rate of more than 8.1%

Table 26: Housing Sales and Median Sales Prices in Billerica (2000-2004)

<u>Year</u>	<u>Single-Family</u>	<u>Condos</u>	<u>All Sales</u>
2004*	248 (\$ 336,275)	80 (\$ 164,950)	381 (\$ 325,000)
2003	491 (\$ 311,000)	136 (\$ 164,675)	763 (\$ 304,000)
2002	352 (\$ 288,950)	94 (\$ 152,950)	529 (\$ 278,760)
2001	440 (\$ 250,000)	83 (\$ 116,250)	643 (\$ 239,000)
2000	509 (\$ 222,950)	105 (\$ 83,500)	783 (\$ 200,000)

*Source: The Warren Group (all data through June 2004) *Data covers first six months of 2004.*

In developing this report, we were able to identify more recent data on home sales in Billerica. This additional data illustrated the home sales prices by sales price range, number of sales and average sales price for single-family homes and condominiums from September 2003 through August 2004. This data is important in illustrating the number of sales below the State's affordable housing figure of approximately \$400,000 for the Executive Order 418 (EO 418) program. In the case of single-family homes, it appears that 323 out of 421 sales, or 76.7%, were below the affordable housing figure established for EO 418. In the case of the condominium sales during this period of time, 83 out of 84 sales, or 98.8%, were below this established figure. The average sales price for single-family homes of \$350,521 during this period through August 2004 is 4.2% higher than the Warren Group's figure of \$336,275 through June 2004. The average sales price for condominiums of \$182,632 as of August 2004 is 10.7% higher than the figure of \$164,950 through June 2004. Table 27 on the next page shows the data described above and offers more detailed information on the distribution of home sales by price range in the current single-family and condominium markets for the Town of Billerica.

Table 27: Home Sales Prices by Range (9/03 through 8/04)

Single Family		
<u>Sales Price Range</u>	<u>Number of Sales</u>	<u>Average Sales Price</u>
0-\$ 100,000	7	\$ 56,000
\$ 100,001-200,000	7	178,343
\$ 200,001-250,000	29	234,317
\$ 250,001-300,000	63	279,615
\$ 300,001-350,000	117	327,432
\$ 350,001-400,000	100	374,211
\$ 400,001-500,000	77	438,496
\$ 500,001 +	21	570,414
TOTAL	421	\$ 350,521

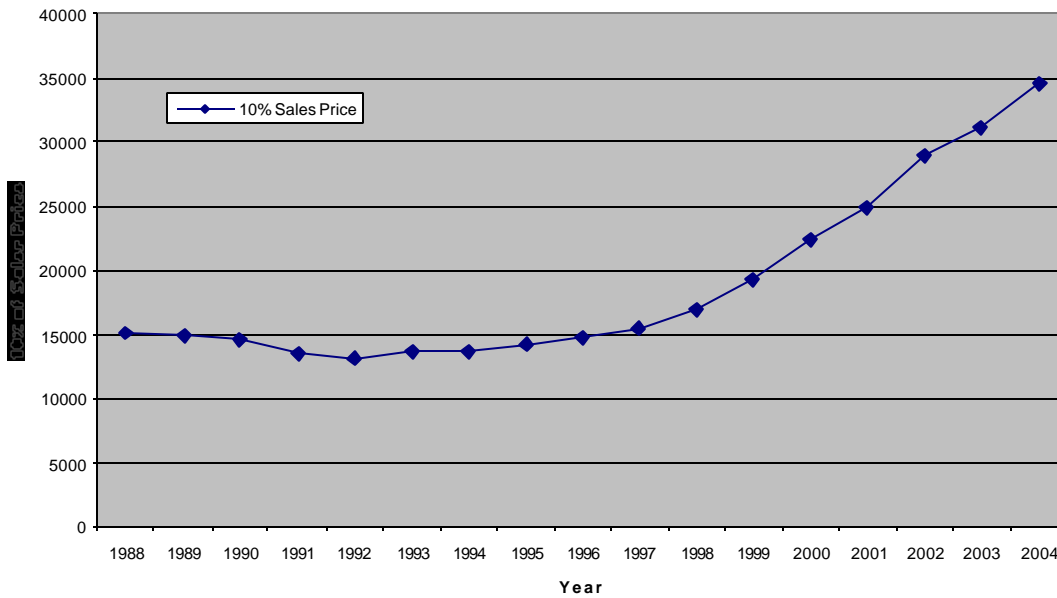
Condominiums		
<u>Sales Price Range</u>	<u>Number of Sales</u>	<u>Average Sales Price</u>
0-\$ 100,000	1	\$ 66,000
\$ 100,001-125,000	8	122,557
\$ 125,001-150,000	26	129,910
\$ 150,001-175,000	29	164,617
\$ 175,001-200,000	1	178,000
\$ 200,001-300,000	8	256,175
\$ 300,001-400,000	10	347,467
\$ 400,001 +	1	424,000
TOTAL	84	\$ 182,632

Source: Local Sales Data

Barriers to Home Ownership

The affordable housing situation in Billerica has become more critical during the past ten years, but particularly the last few years. In order to purchase a home, families need to deal with the downpayment issue and the monthly mortgage payment. Oftentimes, families are unable to move from a rental situation to home ownership even though they may be paying a comparable amount in rent that could be applied to a mortgage. If you assume that families need to put down 10% as a downpayment, the housing situation in Billerica has become more difficult for families since 1996 as the median sales price for single-family houses in the community began increasing. As outlined in the figure below, the sales price of a single-family house in Billerica has increased from \$ 150,000 in 1996 to \$ 345,000 in 2004 or by 130%. Therefore, the 10% downpayment, as reflected below, required of prospective homeowners has increased by 130%, currently requiring these homeowners to place \$ 34,500 down on a home purchase.

Downpayment for Homes in Billerica



Even with the favorable mortgage rates over the past few years, this downpayment obstacle forces prospective homeowners to purchase houses in more affordable areas, such as Route 495 and beyond. This activity then encourages new homeowners to drive longer distances to work until new jobs are created nearer where they live.

The other component to consider is the ability to pay the mortgage payments. A tool utilized by housing professionals to determine what portion of the population could afford to own a house in the community today is called a “gap analysis”. By taking a look at the cost of mortgages and the median income for the community, one is able to determine what the gap is for low (50%), moderate (80%), median (100%) and middle (150%) income groups to afford a single-family house. Assuming that the various income groups would have a thirty-year mortgage with an interest rate of 7.5%, the data for Billerica was quite interesting. Based upon the 1999 data published in the 2000 U.S. Census, the median income for Billerica was \$ 67,777. At the same time, the median single-family sales price in 1999 was \$ 193,250. Therefore, according to the “gap analysis” summarized below, the only group that had difficulty making the mortgage payments for a median single-family house was the low-income group, which experienced a gap of \$58,726.

1999

<u>Income Group</u>	<u>Income</u>	<u>Affordable Purchase Price Based on Income</u>	<u>Median Single Family Sale Price (1999)</u>	<u>Gap +/-</u>
Low (50%)	\$ 33,900	\$ 134,524	\$ 193,250	- \$ 58,726
Moderate (80%)	54,239	69,044	193,250	75,794
Middle (150%)	101,699	403,567	193,250	210,317

However, in comparing the 1999 figures with 2003 data, the increased cost of housing in Billerica for the four-year period greatly exceeded the increased income. The estimated income figures for 2003 were based upon the same increase (7.7%) that Middlesex County experienced between 1999 and 2003. The median single-family sale price for Billerica in 2003, as reported by the Warren Group, increased by 60.9% to \$ 311,000. (Note: This figure increased by 10.9% as of 2004 to \$ 345,000.) Based upon the “gap analysis” conducted for 2003, low, moderate and median income groups in Billerica would experience income gaps in paying the monthly mortgage payments for 30 years at 7.5%. Therefore, in each of these cases, gap financing would need to be identified in order for these groups to afford a median single-family house in Billerica as of 2003 and the situation, as reflected in the 2004 median single-family house prices, was only becoming more difficult for residents of Billerica to become homeowners.

2003

Income Group	<u>Income</u>	<u>Affordable Purchase Price Based on Income</u>	<u>Median Single Family Sale Price (2003)</u>	<u>Gap +/-</u>
Low (50%)	\$ 36,510 (est.)	\$ 144,881	\$ 311,000	- \$ 166,119
Moderate (80%)	58,416 (est.)	231,810	311,000	- 79,190
Median (100%)	73,020 (est.)	289,762	311,000	- 21,238
Middle (150%)	109,530 (est.)	434,643	311,000	123,643

Building Permits

Residential building permit activity in the Town of Billerica has increased lately after the lull created by the recession. The Town was hard hit by a number of layoffs in the information technology and computer manufacturing sectors and these jobs have not been refilled as of yet. According to Table 28 below, the Town of Billerica issued 469 single-family and 144 town house building permits during the past five years. This averages out to 93.8 single-family and 28.8 town house permits per year. The town’s affordable housing goal is 98 units per year, as established by the Massachusetts Department of Housing and Community Development (DHCD).

Table 28: Building Permits in the Town of Billerica (FY 1999-2003)

<u>Year</u>	<u>Single-Family Permits Issued</u>	<u>Town House Permits Issued</u>
FY’99	89	0
FY’00	109	0
FY’01	99	0
FY’02	59	76
FY’03	113	68
TOTAL	469	144
Average	93.8	28.8

Source: Billerica Annual Town Reports

B. Rental Data

Current information on monthly rental costs is difficult to obtain. However, based upon some recent requests for information, it appears that the rental market is quite a bit higher than the 1999 rental figures cited in Table 20 based upon information from the 2000 U.S. Census. According to those figures, the median gross rent for Billerica residents in 1999 was \$677 per month. The sample rents that we were able to identify are as follows:

The Villas at Old Concord:	One Bedroom- \$1,389 - \$1,709 Two Bedrooms- \$1,919 - \$2,109 Three Bedrooms- \$2,279 - \$2,299 Affordable- \$1,200
Middlesex Crossing:	Studios- \$850 - \$1,000 One Bedroom- \$1,050 - \$1,349 Two Bedrooms- \$1,170 - \$1,614
Parlmont Park:	Studios- \$825 One Bedroom- \$975 - \$1,025 Two Bedrooms- \$1,105 - \$1,200

C. Affordable Housing Inventory

Every community in the Commonwealth has a responsibility to provide housing for its low- and moderate-income residents. DHCD maintains a current inventory of subsidized housing units by community that meet the subsidy and affordability requirements. Within the Greater Lowell region, Lowell is the only community that has met the 10% goal and are not subject to the provisions of Chapter 40B of the Massachusetts General Laws. As of March 2005, the NMCOG region was credited with 7,889 subsidized units or 7.8%, while the Town of Billerica had 457 subsidized units, or 3.5%, as outlined in Table 29 below:

Table 29: Subsidized Housing Inventory, NMCOG Region

Community	2000 Census		
	Year Round Units	Subsidized Units	Subsidized Unit %
Billerica	13,055	457	3.5%
Chelmsford	12,981	727	5.6%
Dracut	10,597	557	5.3%
Dunstable	933	0	0
Lowell	39,381	5,174	13.1%
Pepperell	3,905	117	3.0%
Tewksbury	10,125	449	4.4%
Tyngsborough	3,784	260	6.9%
Westford	6,877	148	2.2%
NMCOG	101,638	7,889	7.8%

Source: Massachusetts Department of Housing and Community Development, March 2005

The DHCD-credited subsidized housing units in Billerica increased from 216 units as of April 2002 to 421 units in March 2004, which represented a 94.9% increase in two years. This increase compared favorably with the 18.3% increase in the Greater Lowell region during the same period

of time. As a result of the most recent update, the Town of Billerica increased its subsidized units by 36 units. However, the Villages at Pinehurst should be credited with 15 subsidized units, which would increase the total subsidized units to 472. Table 30 below summarizes the DHCD-approved subsidized housing units in Billerica by project name (where applicable), address, type, subsidized units and subsidizing agency.

Table 30: Subsidized Housing Units in Billerica

<u>Project Name</u>	<u>Address</u>	<u>Type</u>	<u>Subsidized Units</u>	<u>Subsidizing Agency</u>
N/A	16A River Street	Rental	8	DHCD
N/A	33 Talbot Avenue	Rental	33	DHCD
River St. Apts.	13 River Street	Rental	54	DHCD
River St. Apts.	16 River Street	Rental	80	DHCD
N/A	609 Boston Road	Rental	8	DHCD
N/A	78 Lexington	Rental	2	DHCD
N/A	Scattered Sites	Rental	9	DHCD
Hesed House	34 Andover Road	Rental	8	DHCD
DMH Group Homes	Confidential	Rental	4	DMH
Salisbury Hill	Salem Road	Ownership	11	FHLBB
Villas at Old Concord	Riverhurst Road	Rental	180	FHLBB
DMR Group Homes	Confidential	Rental	6	DMR
DMH Group Homes	Confidential	Rental	8	DMH
Barrett Farms	41 Boston Road	Ownership	38	FHLBB
Villages at Pinehurst	Pinehurst Avenue	Ownership	0	FHLBB
Habitat for Humanity	Glenside Avenue	Ownership	1	DHCD
Habitat for Humanity	Austin Road	Ownership	1	DHCD
Total			457	

Source: Department of Housing and Community Development, March 2005

Apart from the DHCD-approved housing units in Billerica, the community has addressed the needs for additional affordable housing units through Town Meeting action and through the development of housing that addresses the housing needs of the elderly and special needs populations. As a result of the adoption of the Billerica Master Plan in 2002, several town meeting articles were presented in order to implement the recently adopted Master Plan. The two articles adopted identified specific parcels for the development of affordable housing and provided a density bonus for developers that included affordable housing as part of their developments.

Under the first approved article, Town Meeting agreed “to authorize the Board of Selectmen to sell, transfer, or donate... land owned by the Town of Billerica for use for affordable housing.” The specific parcels of land are summarized on the next page in Table 31.

Table 31: Town Meeting Approved Affordable Housing Lots

<u>Location</u>	<u>Parcel</u>
Eskimo Way	7-10-0
Nashua Road	77-164-0
Pheasant Road	92-13 & 92-14
Pinedale Avenue	100-6-0
Pinedale Avenue	100-8-0
Rosewood Avenue	49-222-0

Source: Billerica Planning Department, March 2005

As a result of the second approved article, a new density incentive was added to the town bylaws that stated “densities may be increased by 20% if at least half of all additional units created are affordable”. Therefore, if you can build ten dwelling units by right or special permit, then you can build twelve units if one of the additional units is affordable. However, in those cases where 10% affordable is required, there would be two affordable units and ten market units under this example.

During the past five years, the Town of Billerica and the Billerica Housing Authority have worked to address the housing needs of the special needs population, families and over-55 households. Working in conjunction with various social service agencies, the following special needs housing has been built as identified in Table 32:

Table 32: Special Needs Housing in Billerica

<u>Owner</u>	<u>Location</u>	<u>Bdrms./Units</u>	<u>Disability</u>
1. Toward Independent Living & Learning (TILL)	122 Lexington Road	3 bedrooms	Mental retardation
2. Co-Nexus Inc.	34 Andover Road	4 bedrooms	Mental retardation
3. Billerica Housing Authority	609 Boston Road	8 bedrooms	Mental retardation
4. Billerica Housing Authority	16A River Street	8 bedrooms	Mental health
5. Eastern Mass. Housing Corp.	4 Whitegate Road	4 bedrooms	Mental retardation
6. Step 5 Realty Trust	317 Boston Road	44 bedrooms	Alcohol and drug use
7. Patricia Robbins	4 West Street	4 bedrooms	Mental retardation
8. Life Care Center of Merrimack Valley	80 Boston Road	124 beds	Nursing home
9. Billerica Crossing	20 Charnstaffe Lane	64 units	Assisted care facility

Source: Billerica Planning Department, March 2005

Similarly, in terms of addressing the housing needs of families, over-55 households and elderly, non-40B multi-family housing developed during the past five years have moved the community forward. The projects listed below with affordable units are under the Local Initiative Program and should be added to the DHCD-approved subsidized housing inventory for Billerica once they meet the development thresholds. The construction of townhouse family ownership units helps provide a lower cost ownership option, while the family rental units help address the limited rental

housing in the community. Outlined below in Table 33 below are the major non-40B multi-family housing developments in Billerica during the past five years.

Table 33: Multi-family Housing in Billerica (2000-2005)

Name	Units	Affordable Units	Type of Housing
Danforth Village	23	0	55+ Home Ownership
Riverview	24	0	Family ownership-Town Houses
Swanson Meadows	80	0	Family ownership-Town Houses
Charnstaffe Village	26	2	Family ownership-Town Houses
Nicholas Common	57	5	55+ Home Ownership
Pondview	24	0	Family rental
Bradford Glen	164	16	55+ Home Ownership
Country Club Estates	36	4	Family ownership

Source: Billerica Planning Department, March 2005

Based upon a recent conversation with the Billerica Housing Authority, notwithstanding the development activity in support of the special needs and elderly populations, there are extensive waiting periods for low and moderate income units. The elderly face a 1-2 year wait, while the non-elderly can wait for 2 years. Families have a waiting list of ten years, while the special needs population are served by twenty-four (24) units managed by the Housing Authority and must rely on cooperative housing arrangements with established social service providers.

In addition to the DHCD –approved subsidized units, the two affordable housing initiatives approved by Billerica Town Meeting, and the non-40B special needs and elderly housing developed during the past five years, the Town of Billerica currently has five 40B projects moving through the local review and approval process. These projects will be reviewed based upon their ability to serve the community, address basic infrastructure issues and provide housing for Billerica residents. Specific information on each project is included in Table 34 below.

Table 34: Pending 40B Projects

<u>Project Name</u>	<u>Address</u>	<u>Total Units</u>	<u>Affordable Units</u>	<u>Ownership</u>	<u>Rental</u>
Princeton at Boston Rd.	Boston Road (North of Glad Valley Dr.)	156	156	0	156
Mount Pleasant Place	Mt. Pleasant Street (At Billerica Ave.)	20	5	20	0
McKenna Woods	McKenna Drive	30	8	30	0
Alexander Estates	Alexander Rd. & Newbury St.	22	6	22	0
Villas at Old Concord II	Concord Rd./Rte. 3	140	140	0	140
TOTAL	5 Projects	368	315	72	296

Source: Town of Billerica Department of Planning, March 2005

The current state of housing in the Town of Billerica represents a challenge for families searching for affordable housing. The Town has continued to address the housing needs of its elderly and special needs populations, but needs to address the housing needs of young families. First-time homebuyers are faced with an escalating cost in housing, which represents a significant challenge.

III. Addressing Billerica's Affordable Housing Needs

The first two sections of the Billerica Affordable Housing Productivity Plan have summarized the community's housing needs assessment and current state of housing in the community. The housing needs assessment concluded that the Town's population was aging, its housing options were somewhat limited and the amount of developable land for housing was quickly being developed. According to the current state of housing, housing costs in Billerica rose by 130% between 1996 and 2004, reflecting a staggering increase in housing costs that impacted the region as well as the Town of Billerica. The ability of a young family to afford the escalating cost of single-family housing in Billerica today is limited given the amounts needed for a downpayment and monthly mortgage payments, even at historically low interest rates. It is quite evident that other housing choices need to be developed in order to allow prospective residents to live in Billerica.

The Town was in the forefront of developing affordable housing when Billerica Garden Suburb was created in 1914 to develop a progressive community. In response to the establishment of a \$13 million repair shop by the Boston & Maine Railroad in 1912, seventy (70) ownership and rental housing units were developed by 1917 on a 56-acre parcel located along the Concord River. This community, which is adjacent to the North Billerica Commuter Rail Station, is still visible today and is being recognized by the American Planning Association as a national landmark. It is the type of housing that the Town of Billerica would like to emulate today.

The section on the community needs assessment established several major points on the housing choices available to prospective homeowners and renters and the specific needs of housing groups- elderly, special needs, young families, renters, etc. The analysis indicated that there was a need for the Town of Billerica to increase the housing choices specifically for those groups. Private developers, as reflected in the marketing plans, have recognized where the housing opportunities are and what groups may be addressed. The section on the Current State of Housing has demonstrated how the Town of Billerica in concert with the Billerica Housing Authority, social service agencies and private developers have begun to address these "gaps" in housing choices. The purpose of this document is to provide an overall plan for addressing housing needs in Billerica, as well as a specific Productivity Plan to be utilized as the Town's Action Plan for the next five years. Building upon the housing goals in the adopted Master Plan, this document will outline eight major affordable housing goals to be implemented, as well as a specific Action Plan in the form of the Affordable Housing Productivity Plan.

In developing this document, it is important to understand the limitations facing the community in developing affordable housing. First of all, the community is probably the second most developed community in the region, following only the City of Lowell. Secondly, the roadway network and transit service are fairly well developed, however, in some of the locations being identified for development, there are severe limitations that needed to be taken into account before a project can be developed successfully. Thirdly, the established water system, which relies solely on the Concord River for its supply, has some water quality and volume issues from time to time, depending upon the condition of the river. The Town is moving ahead to address these issues through a new Water Plant and other system improvements, but there may be some water issues related to new developments. Finally, approximately 65% of the community has sewer and there is an ambitious plan in place to expand this sewer coverage to 90%, assuming the availability of public and private revenues for expansion. In those areas where sewerage does not exist, private

developers will need to work in partnership with the Town to help finance these infrastructure improvements.

For the past five years, the Town of Billerica has averaged 93.8 single-family permits and 28.8 town house permits per year. Billerica increased its DHCD-approved subsidized housing units from 216 units in April 2002 to 421 units in March 2004, which represented an annual figure of 102.5 subsidized units per year, exceeding the 98 per year goal established by DHCD. During this past year, the number of DHCD-approved subsidized housing units increased by 36 units to 457 units. Under this Productivity Plan, the Town of Billerica will outline how it plans to meet or exceed this production level through specific affordable housing initiatives. As outlined earlier, there are potentially 368 additional affordable housing units in the pipeline that would meet the established goal for the next four years. Given the development limitations of some of these projects, the Town may only be able to count on three years of affordable housing units through the projects in the development pipeline.

A. Limitations

Due to the overall level of development within the community, there are some benefits and disadvantages to the current situation. On the positive side, the roadway network is well established and being improved as a result of the widening of Route 3. Furthermore, the transit system serves a greater part of the community than the less developed communities in the region. The water and sewer systems, although tested recently by events in Billerica Center, have grown with the overall growth of the community and are on track to continue their expansion over the next twenty years. The education system has grown to the point where there is a high school, two middle schools and six elementary schools serving the community. Therefore, different parts of the community are served by the existing school facilities.

On the negative side, the roadway network and transit system aren't designed to accommodate the development of properties off the main thoroughfares. Furthermore, the water and sewer systems cover only a limited portion of the Town at this point and private developments are being proposed in locations where there is limited or no service. Finally, with the per pupil cost increasing from \$5,809 per pupil in 1999 to \$7,663 per pupil in 2003, the cost of public education in Billerica has increased during a period of time when the overall economy has experienced a downturn and vacant industrial properties have impacted the overall tax receipts for the community. More specific information on transportation issues and the water and sewer infrastructure limiting development in the community are addressed in the following pages.

1. Transportation Issues

a. The Roadway Network

The Town of Billerica is served by U.S. Route 3, a limited-access urban arterial, which functions as an interstate. U.S. Route 3 provides connections to I-495 and I-95. Highway access has played a significant role in the development of the Town over time. Billerica has been successful in attracting substantial development and also serves as a bedroom community for commuters utilizing Routes 3, I-495, and Route 128/I-95.

All roadways are classified by the state and federal governments according to their functional use. Some streets are classified as arterials because of the high volume of traffic they handle or because they provide vital connections to other major roadway or to significant high volume traffic generators. The arterial roadways in Billerica include:

- Route 3A, or Boston Road, which runs north-south through the Town and provides connections to Chelmsford and Burlington;
- Route 129, which runs east-west and provides connections to Chelmsford and Wilmington;
- Route 4, which runs north-south and provides connections to Chelmsford and Bedford.

There are approximately 47 miles of roadway classified as collectors in the Town of Billerica. These roadways carry residential traffic to the arterial roadway system. This classification includes roadways such as River Street in the center section of Town, and Concord Road, Andover Road, and Pollard Street.

Within Billerica, there are slightly over eleven miles of roadway under state jurisdiction. The remainder of the roadway system is under local jurisdiction. Over 66% of the roadways in Billerica are functionally classified as local roadways.

The arterial roadways in Billerica experience high volumes of traffic during the morning and evening peak hours. Daily volumes on these roadways range from 7,000 vehicles per day to over 25,000 vehicles per day. This results in many locations operating at unacceptable levels of service due to congestion and delays. The Town of Billerica has initiated a traffic improvement project to address the congestion and safety issues that currently exist on Concord Road. This project is being completed in two phases: (1) Phase 1 – from the Bedford town line to the Middlesex Turnpike is under construction and will be completed in Summer 2005, and (2) Phase 2 – from the Middlesex Turnpike to Route 3A has been advertised for construction and is scheduled to be completed by Summer 2007.

Many of the local roads in Billerica are relatively narrow when compared with accepted design standards. Billerica's subdivision regulations require that new roadways be considerably wider than many of the existing streets to which they connect. While this network largely functions adequately given the amount of development currently in place, this may not continue to be the case in the future as traffic volumes grow

As the Town continues to grow and traffic congestion worsens, motorists will increasingly seek out alternative routes. This may result in "cut through" traffic on local roadways that are not designed to accommodate high volumes of traffic. In the future, the only potential remedies to this problem may be to improve the arterial roadway system; to make design changes, such as roadway widening and geometric improvements, on selected portions of local residential roadways; or to construct a new arterial roadway to accommodate the added traffic demand. The Town has implemented traffic calming techniques on some local roadways on a trial basis with mixed results.

Given the capacity constraints that exist on many roadways, future housing development should be encouraged in those locations with adequate transportation infrastructure. The traffic impacts

of future housing proposals should be carefully evaluated, and appropriate mitigation should be required for those projects that degrade roadway-operating conditions.



N. Billerica – MBTA Commuter Rail/Mill Area

*Photo: Pictometry/MassHighway
(under license)*

B. Transit Service

Public transit service is currently available to Billerica residents through the Lowell Regional Transit Authority (LRTA). The LRTA provides fixed route bus service on the Billerica-Burlington route along Route 3A. The bus operates on one-hour headways during the week and on a more limited schedule on Saturdays. No Sunday service is provided.

The LRTA also provides fixed route service to the Lahey Clinic/Burlington Mall/Sun Microsystems area of Burlington and Bedford via the Middlesex Turnpike. On weekdays, this bus operates on one-hour headways during peak hours. No weekend service is available.

In addition to this fixed route service, the LRTA also provides paratransit service known as the “Road Runner”. This service consists of dial-a-ride and pre-scheduled paratransit services that are available to Billerica residents sixty years old and over, or to residents who have a disability.

Commuter rail service to Lowell and Boston is available at the North Billerica commuter rail station, which contains 541 surface parking spaces. Twenty-one inbound and outbound trains serve the station on a daily basis.

2. Water and Sewer Infrastructure

A. Water Systems

Billerica Water Works was established by an act of the Massachusetts Legislature in 1897. Construction of the original works began in 1898 and was first activated in 1899. At that time, water was drawn from wells located in the area of the present Water Treatment Plant. The existing Water Treatment Plant was originally constructed in 1955 with a capacity of 3.5 million gallons per day (MGD) and planned to be expanded to 7 MGD at a later date. In 1967 the plant's capacity was expanded to 7MGD, and in 1976 to 14 MGD. The Town has two water storage tanks that hold 8.5 million gallons of water. The Town of Billerica supplies its entire population with drinking water withdrawn solely from the Concord River.

Due to numerous problems at the existing plant and the inability to renovate the plant to meet current standards, the Town entered into an Administrative Consent Order (ACO) with the Massachusetts Department of Environmental Protection (DEP) on December 13, 1999. The ACO required that the Town construct a new plant on a new site.

As a result of this ACO, the Town broke ground several weeks ago on the construction of a new \$36 million water treatment plant 1.5 miles upstream of the current plant. The project will not increase the amount of water the Town withdraws from the Concord River; however, it is expected to improve the quality of the water. The Town is approved by DEP to withdraw 5.26 MGD on an annual average basis and presently pumps approximately 4.7 MGD. Average annual consumption for the past few years has been approximately 1,600 million gallons (or 4.38 MGD), but the consumption has increased from 4.18 MGD in 2000 to 5.17MGD in 2001 and 2002. The capacity of both the existing and the new plant is 14 MGD. There are more than 2,000 fire hydrants connected to the water system and more than 90% of these hydrants are public.

The problems with the water systems today relate more to quality of the water than with the volume of the water. The Town of Billerica is impacted by the seasonal changes in the Concord River when there is too much water in the spring and during heavy rainstorms and too little during parts of the summer. Part of the reason for building the new water plant is to address the quality of the water during low-flow times at the Concord River and to enable the Town to increase its capacity with the approval of the Environmental Protection Agency (EPA) and DEP. However, the quantity of water will become an issue as new developments are approved. The Town has established a seven-member water committee to investigate why the town has been consuming more water during the past two years and to explore sources of water in addition to the Concord River. In addition, some members of the community have expressed interest in establishing a regional committee to search for additional water sources. The prospects of additional development in the community will only compound this problem unless the Town implements some conservation measures that will deal with the rising water usage in the community. If EPA and DEP refuse to allow the Town to increase its capacity, the Town may be forced to place new restrictions on development in the community.

B. Sewer Systems

The construction of the first public system of sanitary sewers and the Wastewater Treatment Facility began in 1966 and was designed to be expandable in order to meet Billerica's projected population of 50,000 in 2000. The original Wastewater Treatment Facility was designed to treat

0.8 million gallons per day (MGD) and then was upgraded in 1975 to increase the capacity to 1.6 MGD. In 1982 the Town prepared a Wastewater Facilities Plan that identified twenty areas in the community that needed an alternative to individual on-site septic systems for wastewater treatment. The Town began providing sewerage to many of these areas through Town Meeting appropriations so that 96 miles of sewer would be in place at the completion of the plan. In 1988 the Wastewater Treatment Facility was expanded to treat 5.52 MGD. Due to other improvements to the wastewater treatment system since 1988, EPA awarded the Town a National Beneficial Bio-solids Award in 1997. The Billerica facility was the only one in Massachusetts to ever be given this honor.

The Town of Billerica currently provides sewer to approximately 65% of the community. There are currently nineteen (19) pump stations with one hundred seventy-two (172) miles of sewer mains. The Town is implementing an aggressive \$ 15 million dollar sewer expansion program that adds more sewer annually. When completed, this project will bring the public sewer system to nearly 90% of the community. While the Wastewater Treatment Plan has a design capacity of 5.52 MGD, average daily flow at the plant in 2002 was 2.56MD and currently is at 3.1 MGD.

The major constraint on development activity in Billerica relates to the ability to provide for proper sewage disposal. Although less than 35% of the community is without sewer, the new residential developments are being targeted to those areas without the infrastructure capacity to handle the additional demand. These limitations will provide restrictions on the development of major housing developments in areas without sewage. Although the Town is steadily expanding the sewage service area, the rate of expansion depends upon the availability of town funds for this purpose since regulations concerning the use of the State's sewer and water fund limit reimbursements to areas demonstrating existing need. Due to the recent downturn in the Massachusetts economy since 2000, state revenues have not been readily available to share with local communities and the burden of supporting local programming activities has rested with the municipalities. Now that state revenues appear to be returning to pre-2000 levels, additional finances may be available to the Town to continue the sewer expansion at a more rapid rate. However, it will be necessary for developers to share the burden with the Town in expanding the infrastructure improvements to all neighborhoods within the community.

B. Affordable Housing Initiatives

The Town of Billerica has contracted with NMCOG to help develop this Affordable Housing Productivity Plan in concert with the Housing Production Plan Committee. During the past six months, NMCOG staff has met with this committee to discuss data on housing in Billerica, the current state of housing in the community, and different affordable housing initiatives that have been supported by other communities. NMCOG staff utilized GIS mapping techniques to identify available land within the community for affordable housing. These maps were reviewed at these meetings and it was determined that it made sense to look at potential rezoning of industrial areas in order to address the affordable housing problem. The Committee also considered the types of affordable housing entities appropriate for the community and was provided copies of the Bedford Housing Trust, Inc. by laws, as included in the Appendix. The Committee provided an invaluable service in providing feedback and offering their opinions regarding a possible consensus within the community to create more affordable housing.

The Town of Billerica fully supports the Commonwealth's Development Principles and believes in "careful stewardship of our natural resources, wise investment in public infrastructure and the

expansion of opportunity for all our residents”. The Town also believes that affordable housing should be “compatible with a community’s character and vision”. The Town wishes to target its housing developments in those areas already served by infrastructure – roads, sewers and water systems. There also can be no disagreement about Development Principle # 6, which talks about “supporting the construction and rehabilitation to meet the needs of people of all abilities, income levels and household types”.

Before outlining the Productivity Plan needed to address the production of affordable housing in conformance with Chapter 40B, the Town of Billerica needs to address the following eight housing goals in order to address the housing needs of the community. These goals provide the “bridge” between the housing needs assessment reflected in Sections 1 and 2 and the specific action items in the Town’s adopted Productivity Plan. The housing goals to be addressed by the Town of Billerica are as follows:

1) Implement the Housing Goals Outlined in the Town Master Plan

The Billerica Planning Board and the Director of Planning have actively promoted the Housing Goals outlined in the Master Plan adopted by Town Meeting in 2002. To date, Billerica Town Meeting has approved vacant municipal lots for affordable housing and density bonuses for housing developments that include 10% of their units as affordable. The consideration of mixed-use developments will be addressed initially by NMCOG through its “Smart Growth Technical Assistance” contract with the Executive Office of Environmental Affairs and will be brought to the Town for their consideration. The potential for mixed-use developments would be limited to three areas: Boston Road (Route 3A), the North Billerica Historic District, and the abandoned K-Mart facility on Route 129 (see picture below). Each of these areas has the infrastructure in place to support the development of affordable housing. A model mixed-use development bylaw for these three locations will be developed as a result of this project and will be brought to the Town and Town Meeting for their consideration. Other potential recommendations to be considered by Town Meeting include in-law apartments (Goal 2, Objective C), linkage fees (Goal 2, Objective D), fee waivers or reductions (Goals 2, Objective E), and providing affordable housing opportunities that are compatible with surrounding land use (Goal 5). As elected officials and the general public become more fully educated about the benefits of affordable housing to the community, more specific Master Plan goals will be considered and, hopefully, adopted.



Former Kmart Warehouse - Photo: Pictometry/MassHighway (under license)

2) Establish a Non-Profit Housing Partnership

In order to implement the housing goals and to ensure that the Productivity Plan is met, the Town of Billerica needs a non-profit Housing Partnership to work in conjunction with the Town, the Housing Productivity Committee, the Billerica Housing Partnership and the Billerica Housing Authority. The Town has reviewed the Bedford non-profit model and is being provided information on the newly approved Municipal Housing Trust. Currently, there is no formalized mechanism in place to ensure that these housing goals are met and that the Productivity Plan is implemented. Additionally, the Town will need to establish this entity to work with already established housing entities, such as the Billerica Housing Authority and Common Ground (a subsidiary of Community Teamwork, Inc.), so as not to duplicate what already exists. The ability of the Town to fulfill these housing goals in a manner that addresses the community housing needs will be dependent upon the formation, establishment and direction of the non-profit Housing Partnership. The Housing Partnership will need to identify additional housing resources at the federal, state and foundation levels to support its efforts due to the constraints on local resources.

3) Explore Mixed-Use Development Options through the “Smart Growth” Contract

NMCOG will be examining the potential impacts of rezoning the Route 3A (Boston Road) corridor, the North Billerica Historic Mill District, and the abandoned K-Mart warehouse property to accommodate mixed-use development under the “Smart Growth Technical Assistance” contract with the Executive Office of Environmental Affairs. A model mixed-use zoning bylaw will be developed in conjunction with the Town as a result of this project. The model bylaw will be brought to Town Meeting for approval. The project promotes “smart growth” by encouraging the development/redevelopment of existing buildings and infrastructure; concentrating development in areas with infrastructure capacity; expanding affordable housing opportunities and coordinating these opportunities with jobs, services and transit. NMCOG will work with the Town to explore fully the mixed-use development options for these targeted areas.

4) Increase Housing Choices for Homebuyers and Renters

As identified in the community needs assessment, the housing choices available to homebuyers and renters have been principally limited to single-family homes. With the recent influx of townhouses, the housing options were expanded and lower housing costs were attainable. However, as the “gap analysis” demonstrated, a family with median income in Billerica has a hard time qualifying for housing that has increased more than 130% in the last eight years. Therefore, many of the people who work for the Town can’t afford to live in the community due to the high cost of housing. It is imperative for the Town to increase its supply of affordable housing so that children of Billerica residents may continue to live in the community. Apart from these young families, the elderly, special needs families, renters and minorities require new housing choices in order to be part of the community. Multi-family rental housing, elderly housing under Chapter 202 and over-55 housing needs to be built to address the growing populations being housed in each of these types of facilities. Additional special needs housing has to be an important part of this housing strategy. Upon examination of the housing currently being developed by private developers, there are numerous examples of rental, multi-family and over-55 developments that can address a portion of the growing need for housing choices. The Town needs to build upon this effort in order to more fully address the affordable housing needs in the community.

5) Identify Vacant Municipal Lots for Affordable Housing

Based upon the GIS information provided by NMCOG and the knowledge of the Director of Planning regarding available vacant municipal lots, the Town will identify additional vacant municipal lots to be advertised for affordable housing. Building upon the vacant lots already approved by Town Meeting, the Town will identify additional vacant lots, advertise these lots to private and non-profit developers, and work with the selected party to build affordable housing units. The Town has worked with Habitat for Humanity in the past and could also work with Common Ground, which is a non-profit subsidiary of Community Teamwork, Inc. These vacant lots will require similar infrastructure in order to remain affordable. In some cases, the Town may work with the Billerica Housing Authority and social service agencies to develop infill housing on available vacant lots so as to meet the housing needs of the elderly and special needs populations.

6) Re-zone Industrial Land for Residential Development

In the past, the Town has worked with private developers to identify industrial land that could be re-zoned for residential purposes. Due to the downturn in the economy and the availability of industrial land, Town Meeting has favorably acted upon several proposals. In general the industrial land has access to infrastructure, therefore making it ideal for keeping the housing costs down. This goal is also consistent with Goal 4, Objective B of the master Plan to locate multi-family housing sites near highways and business areas, where a great deal of the industrial land is located.

7) Maintain Affordability of Housing through Deed Restrictions

The Town has used the standard DHCD Deed Riders to ensure that the affordable housing is maintained for at least 30 years. In the example included in the Appendix, the term of affordability has been established in perpetuity. This represents the standard approach by the Town, which is consistent with Goal 2, Objective H of the Master Plan. In the case of rehab housing, it is understood that the minimum affordability period is 15 years and that local communities are encouraged to consider longer periods for affordability.

8) Educate Elected Officials and the Public on the Town's Strategy to Create Affordable Housing

Apart from the limited resources available to construct affordable housing, the major stumbling block has been the lack of understanding about the benefits of affordable housing to a community. The Town needs the assistance of DHCD and the Massachusetts Housing Partnership (MHP) to schedule two meetings – one with the elected officials responsible for acting upon the affordable housing initiatives and another with the general public to discuss what the approval of this Plan means to the community and what expectations DHCD has about the implementation of the Plan. The Town also needs to utilize its good offices to spread the word about the need for affordable housing and to support the initiatives of the non-profit Housing Partnership.

These goals provide the framework for the next step, the presentation of the Affordable Housing Productivity Plan as the Five-Year Action Plan for Billerica's effort to increase affordable housing. The Affordable Housing Productivity Plan below identifies specific affordable housing initiatives consistent with the Housing Goals on a short-term (Year 1), intermediate term (Years 2 and 3) and long-term (Years 4 and 5) basis. In addition to the specific housing initiatives, minimum and maximum quantitative affordable housing goals are established for each initiative

so that the Town can meet or exceed its established subsidized housing goal on an annual basis. The Town will continue to submit the required material for 418 Certification as a means to re-affirm its commitment to affordable housing. Secondly, the Town, in conjunction with the Housing Production Plan Committee, will work to establish a non-profit affordable housing entity, possibly similar to what presently exists in Bedford. The non-profit Affordable housing entity will be charged with implementing the Affordable Housing Productivity Plan and working with the Planned Production Plan Committee. The Town will utilize other agencies, such as Common Ground under Community Teamwork, Inc. and the Billerica Housing Partnership, to move different portions of this Plan forward. Finally, the Town's increased participation at a regional level through NMCOG could help it address its affordable housing needs in concert with other communities in this region. In order for the Town to implement this Plan effectively, it needs to have the resources to focus attention on this important initiative.

1) **Short-Term (1st Year):**

- **Establish non-profit Affordable Housing entity.**
(provides flexibility in implementing housing projects and receiving outside funds);
- **Move 40B projects in pipeline forward.**
(could provide up to 368 additional affordable housing units);
- **Encourage “friendly” 40Bs through the utilization of the LIP Program.**
(provides new opportunities for a partnership between developers and the Town);
- **Establish partnership with Common Ground.**
(Common Ground can provide housing capacity as the non-profit Affordable Housing entity is being organized);
- **Identify funding for rehab projects.**
(Rehab projects can qualify as affordable housing units for 15 years (minimum) and funds are available at DHCD); and
- **Identify industrial land suitable for housing.**
(identify 3-5 sites for potential housing development).

Short-Term (First Year)	Affordable Units	
	Minimum	Maximum
• Non-profit Affordable Housing Partnership	NA	NA
• 40B Projects in pipeline	50	70
• “Friendly” 40Bs/LIP Program funding	5	10
• Partnership with Common Ground	2	5
• Funding for rehab projects	10	15
• Identify industrial land suitable for housing	NA	NA

2) **Intermediate-term (2nd and 3rd Years)**

- **Identify funding for support staff for non-profit Affordable Housing entity.**
(Build local housing capacity through seed funds and other resources);
- **Implement projects through non-profit entities.**
(Identify initial projects to be implemented by the non-profit entity through staff or contractors, such as Common Ground);
- **Implement 40B projects in pipeline.**
- **Develop new 40B project partnerships.**
(Utilize LIP funding to establish new 40B projects);

- **Build senior housing, such as through Chapter 202 funds.**
(Implement Chapter 202 project);
- **Apply for rehab funds from DHCD.**
(Target 10-20 houses for DHCD housing rehab funds, which can then be included as affordable housing units for 15 years (minimum));
- **Establish funding pool for rental “buy downs”.**
(Work with NMCOG to identify funding sources including existing housing funds for rental “buy downs”);
- **Initiate Chapter 40R or mixed-use overlay under 40A – Smart Growth-proposal;**
(Develop conceptual proposal for North Billerica Historic Mill District, Boston Road, and K-Mart Warehouse sites);
- **Regional Cooperative Housing Initiative; and**
(Work with communities in the region to implement a regional affordable housing project); and
- **Rezone industrial land for housing or use Chapter 40B exemption.**
(Bring 1-2 rezoning proposals to Town Meeting)

Intermediate (Second and Third Years)	<u>Affordable Units</u>	
	<u>Minimum</u>	<u>Maximum</u>
• Support staff for non-profit	NA	NA
• Initial non-profit projects/Common Ground	5	10
• 40B Projects in pipeline	100	140
• New 40B Partnership Projects	10	20
• Senior housing, such as Chap. 202	50	100
• Rehab projects	5	10
• Rental buy-downs	10	20
• Chapter 40R- smart growth*	10	20
• Regional Cooperative Housing Initiative	5	10
• Rezone industrial land for housing	10	20

3) Long-term (4th and 5th Years)

- **Achieve self-sustaining non-profit Affordable Housing entity.**
(Access local and outside funding sources to provide staff for the non-profit entity);
- **Complete implementation of 40B projects in pipeline.**
- **Implement new 40B projects through partnerships.**
(Utilizing LIP funds and other resources, work with developers to implement “friendly” affordable housing projects);
- **Build senior housing, such as through Chapter 202 funds or other possible funding sources.**
(Complete Chapter 202 project);
- **Continue rehab program and target areas for public investments.**
(Identify 10-15 houses for rehabilitation under DHCD’s program that can be designated as affordable housing units for 15 years. Also target public investments to these same areas to improve the overall quality of life);
- **Establish agreements with property owners on rental “buy downs”.**

- **Implement Chapter 40R- “smart growth”- proposal or mixed-use overlay under Chapter 40A.**
(Implement North Billerica Historic Mill District, K-Mart Warehouse or Boston Road project);
- **Rezone industrial land for housing.**
(Work with developer(s) to build housing on former industrial land);
- **Re-assess Housing Productivity Plan**
(Begin process for the development of new five-year Housing Productivity Plan.)

<u>Long-Term (Fourth and Fifth Years)</u>	<u>Affordable Units</u>	
	<u>Minimum</u>	<u>Maximum</u>
• Non-profit projects	10	15
• 40B Projects in pipeline	100	133
• New 40B Partnership Projects	15	20
• Senior housing, such as Chap. 202	50	100
• Rehab projects	10	20
• Rental buydowns	15	20
• Chapter 40R- smart growth	10	20
• Rezone industrial land for housing	20	40
• New Productivity Plan	NA	NA

This Affordable Housing Productivity Plan is designed to establish a firm partnership between the Town of Billerica, DHCD and the private sector to produce affordable housing that meets the needs of residents wishing to live in the Town of Billerica.

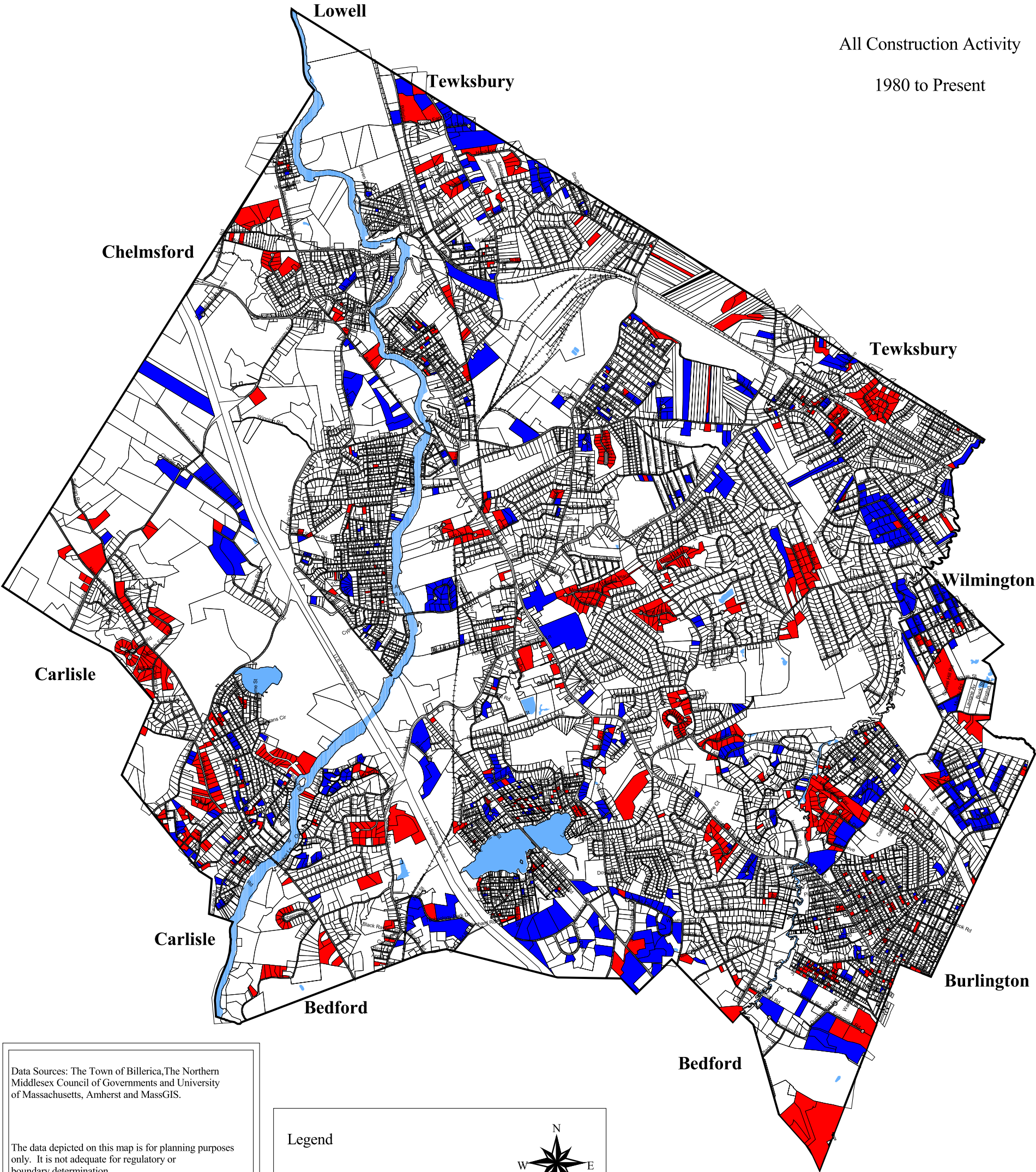
APPENDIX

	<u>Page #</u>
▪ Town of Billerica – all construction activity 1980 to present	A-1
▪ Town of Billerica – residential land use 1990 to present	A-2
▪ Town of Billerica – Town infrastructure	A-3
▪ Town of Billerica – Land Available for Affordable Housing	A-4
▪ Sample By-Laws Non-Profit entity	A-5
▪ Sample Deed Riders	A-12

Town of Billerica

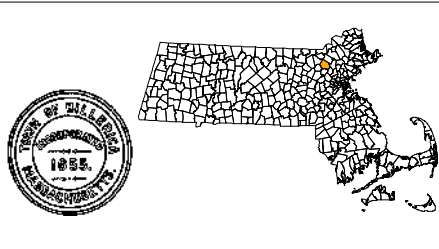
Affordable Housing Productivity Plan

All Construction Activity
1980 to Present



Data Sources: The Town of Billerica, The Northern Middlesex Council of Governments and University of Massachusetts, Amherst and MassGIS.

The data depicted on this map is for planning purposes only. It is not adequate for regulatory or boundary determination.



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The Northern Middlesex
Council of Governments
115 Thorndike St.
Lowell, MA 01852



Legend

- Constructed from 1980 to 1990
- Constructed after 1990
- Town Boundary
- Rail lines
- Roads

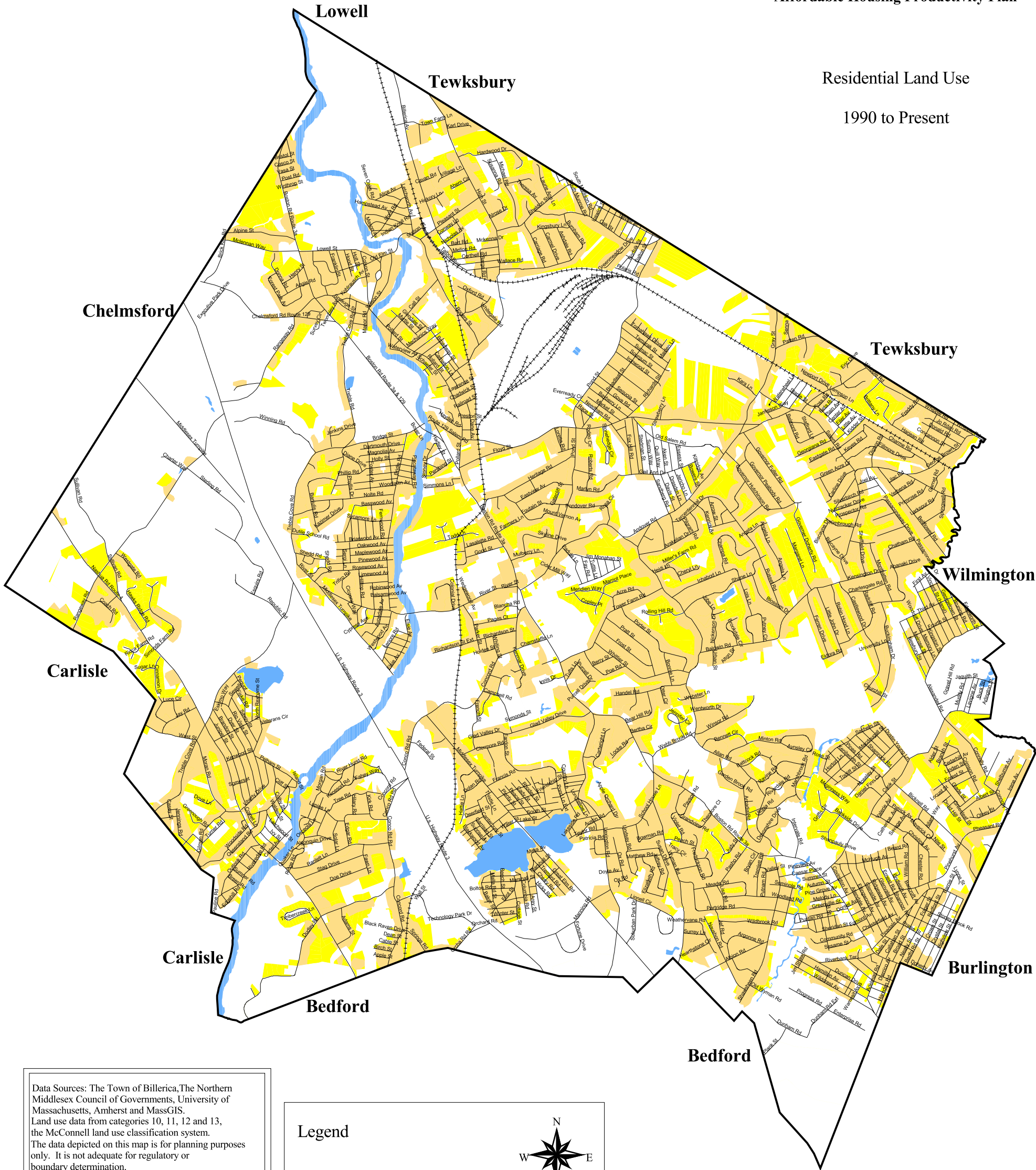


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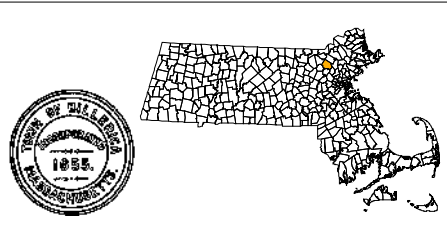
Town of Billerica

Affordable Housing Productivity Plan

Residential Land Use 1990 to Present



Data Sources: The Town of Billerica, The Northern Middlesex Council of Governments, University of Massachusetts, Amherst and MassGIS. Land use data from categories 10, 11, 12 and 13, the McConnell land use classification system. The data depicted on this map is for planning purposes only. It is not adequate for regulatory or boundary determination.



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Lowell, MA 01852



Legend

- Town Boundary
- Raillines
- Roads
- Present residential land use
- Residential land use in 1991

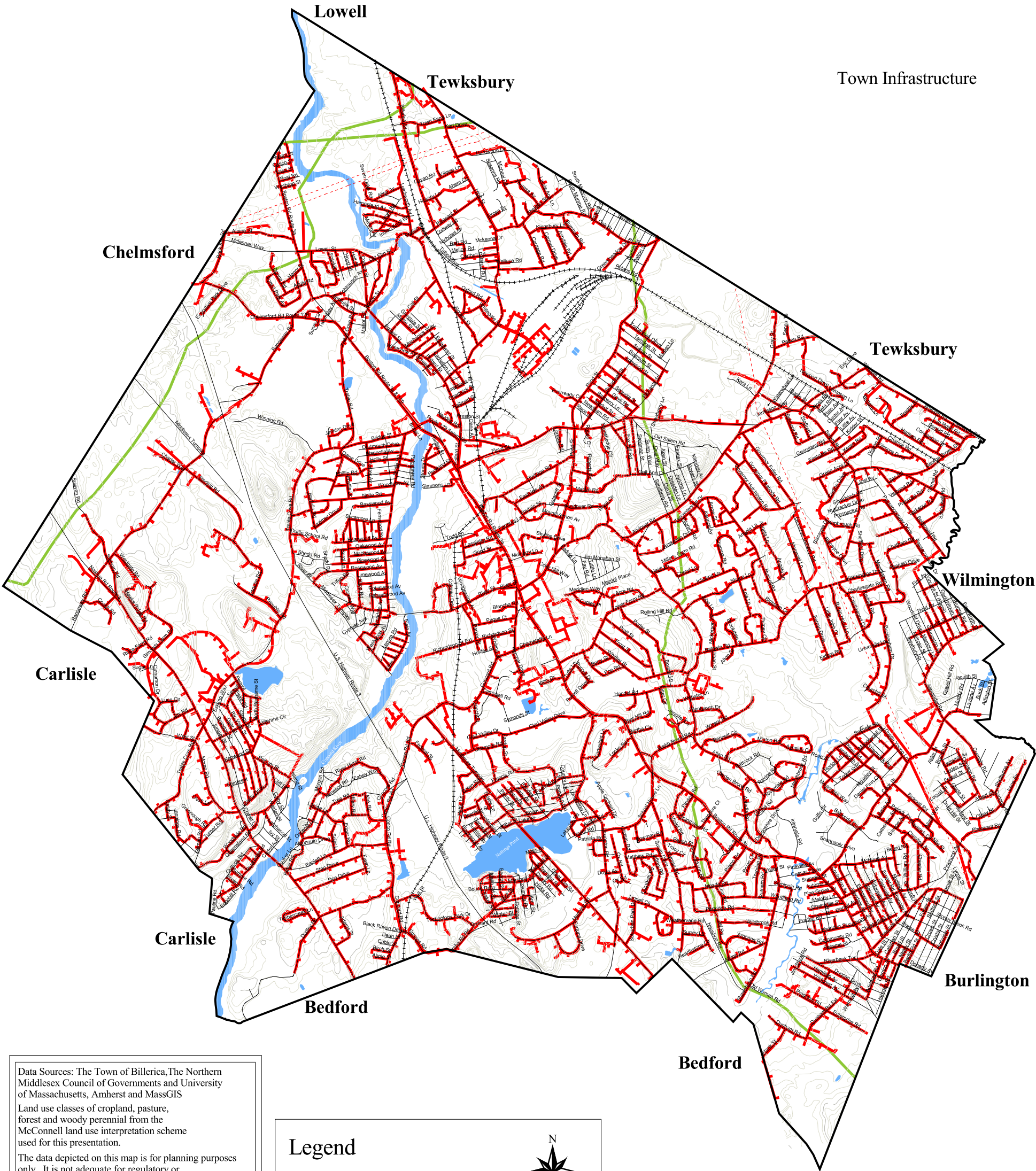


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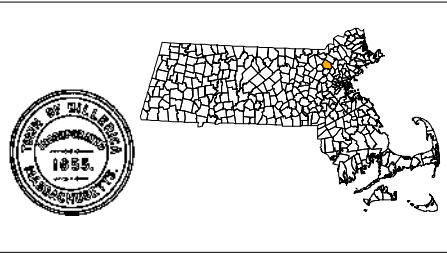
Town of Billerica

Affordable Housing Productivity Plan

Town Infrastructure



Data Sources: The Town of Billerica, The Northern Middlesex Council of Governments and University of Massachusetts, Amherst and MassGIS
Land use classes of cropland, pasture, forest and woody perennial from the McConnell land use interpretation scheme used for this presentation.
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Legend

- Town Boundary
- Power Lines
- Railines
- Roads
- Water Mains
- Gas Pipelines

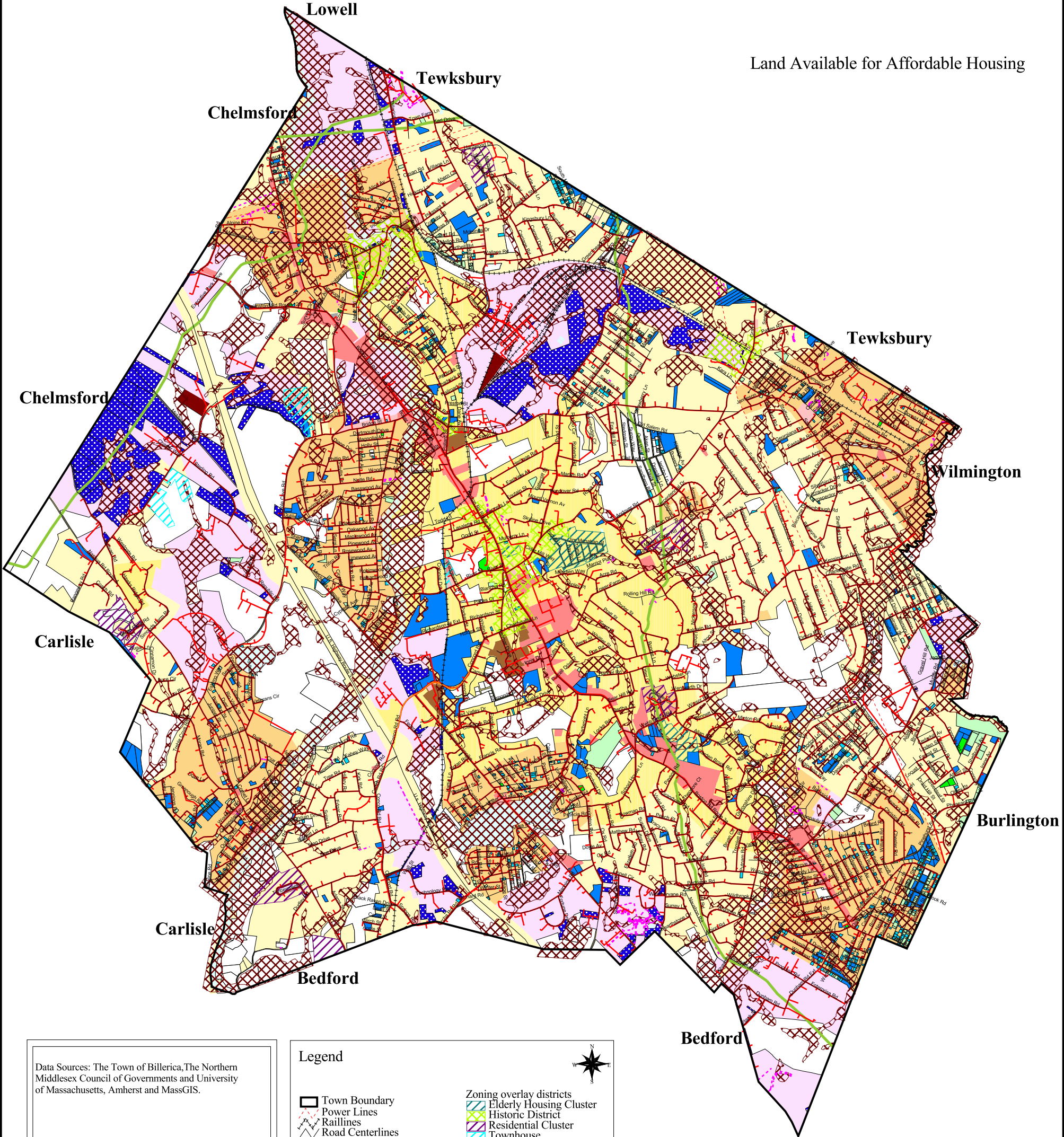


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Town of Billerica

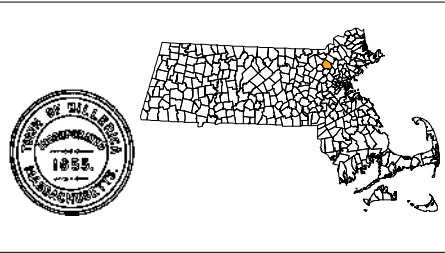
Affordable Housing Productivity Plan

Land Available for Affordable Housing



Data Sources: The Town of Billerica, The Northern Middlesex Council of Governments and University of Massachusetts, Amherst and MassGIS.

The data depicted on this map is for planning purposes only. It is not adequate for regulatory or boundary determination.



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Lowell, MA 01852

Legend

- Town Boundary
 - Power Lines
 - Raillines
 - Road Centerlines
 - Water Mains
 - Gas Pipelines
 - Easements
 - Open Space Parcels
- Potential Municipal Lots
- Billerica Housing Authority
 - Eastern Mass Housing
 - Seven Hills Community Svc.
 - Town of Billerica
- Privately held potential parcels
- Less than 50% of lot area in zoning category
 - Greater than 50% of lot area in zoning category
 - Industrially Zoned Available Lots
- Zoning overlay districts
- Elderly Housing Cluster
 - Historic District
 - Residential Cluster
 - Townhouse
 - Green Flood Plain
- Zoning Districts
- Adult Entertainment
 - Commercial
 - General Business
 - Neighborhood Business
 - Industrial
 - Multi-Family
 - Village Residential
 - Neighborhood Residential
 - Rural Residential

0 0.5 1 1.5 Miles

BEDFORD HOUSING TRUST, INC.
BYLAWS

Adopted April 19, 1994, Amended September 10, 1996 and September 23,2000

ARTICLE I
(General)

Section 1: Name

The name of this organization shall be the Bedford Housing Trust, Inc., a non-profit corporation established under the Massachusetts General Laws, Chapter 180, hereinafter referred to as the "Bedford Housing Trust" or "The Corporation".

Section 2: Purpose

The purposes for which the Bedford Housing Trust is formed are as follows:

To enhance the Town of Bedford, Massachusetts and lives of its residents, and so lessen the burdens of government, by promoting and undertaking the development and maintenance of affordable housing for the benefit of persons of low and moderate income within Bedford and adjacent communities, and thereby assist employers in retaining and creating job opportunities; particularly for resident young people and reduce out-migration; reduce the levels of participation and dependence on public assistance programs; and rehabilitate housing.

To foster and promote community-wide interest and involvement in the problems associated with the under-development of affordable housing, and toward that goal, to sponsor and participate in public symposia and discussions involving governmental officials, real property developers, and community organizations and institutions; to assist such parties in obtaining financial support for affordable housing projects from state and federal agencies, foundations and other sources; and by any other means, to cooperate with, encourage and contribute to the efforts of such parties in the accomplishment of such purposes.

To solicit memberships and donations, providing a vehicle for contributions of funds, real estate and other property from any source, particularly from public spirited and charitable minded persons, including real property developers whose transfers to the Bedford Housing Trust may be made pursuant to any so-called "inclusionary zoning", "contract zoning" or "development fee" standards which may appear in the Bedford Zoning Bylaw, all such contributions and the income there from to be used solely purposes stated herein.

To acquire, by gift, purchase or other means, and develop and improve, maintain, conserve and administer, land and buildings, and to convey, mortgage, loan, borrow, sell securities, rent or otherwise encumber or deal with such property, all in the pursuit of such purposes.

In furtherance of any of the above purposes, to exercise any or all of the powers permitted under Massachusetts General Laws, Section 6, Chapter 180, including those powers specified in subsections e, f, g, h, I and k of Section 9 of said Chapter 156B.

Section 3: Limitation of Methods

The corporation shall be not-for-profit, non-partisan, non-sectarian, and shall observe all local, state and federal laws which apply to a not-for-profit organization as defined in Section 501(c)(3) of the Internal Revenue Code.

The Bedford Housing Trust is organized without capital" stock and shall be operated exclusively for the foregoing educational and charitable purposes. No part of the net earnings or profits of the corporation shall benefit any private member or individual or be used or appropriated for other than the said purposes of the corporation. It is intended that the Bedford Housing Trust" shall be of the character described in the provisions of Section 501(c) of the Internal Revenue Code of the United States.

Section 4: Geographic Area

The geographic area that Bedford Housing Trust is organized to operate in is the Town of Bedford, Massachusetts and the adjacent communities.

Section 5: Nondiscrimination Provision

In the provision of housing opportunities, services, programs, charitable relief and any other activities, the Bedford Housing Trust shall never discriminate on the basis of race, color, religion, sex, sexual orientation, marital status or national or ethnic origin.

ARTICLE II (Membership)

Section 1: Corporate Members

Corporate membership of the Bedford Housing Trust shall consist of the members of the Bedford Housing Partnership, as it is now constituted or may be constituted in the future.

Section 2: Supporting Members

There shall be an additional class of membership entitled "Supporting Member". Supporting membership shall be open to all persons (18 years of age or older) whose primary residence is in the Town of Bedford, or who own real estate in or work in the town of Bedford, or who are otherwise interested in the purposes of the Bedford Housing Trust and who have completed the corporation's membership application, filed it with the corporation as provided therein, and satisfied the supporting membership dues requirement. Supporting membership dues shall be as adopted by a majority vote of the Corporate membership.

Section 3: Termination of Membership

- a) Any corporate or supporting member may resign from the corporation upon written request to the Board of Directors.
- b) Any supporting member's membership shall lapse for nonpayment of dues after ninety (90) days from the date due, unless otherwise extended for good cause.
- c) Any corporate or supporting member shall be expelled by a two-thirds (2/3) vote of the Board of Directors at a regularly scheduled meeting thereof, for conduct unbecoming a member or prejudicial to the aims or repute of the Bedford Housing Trust after notice and opportunity for a hearing are afforded the member complained against.

Section 4: Voting Restriction

Only corporate members shall be eligible to vote for the election of Directors or on any other matter on which the membership has the right to vote. Supporting members are nonvoting members.

ARTICLE III (Board of Directors)

Section 1: Composition of the Board

The Bedford Housing Trust shall be managed by a Board of Directors of which there shall be seven (7) members.

Section 2: Appointment or Election of Directors

Membership of the Board shall be determined as follows:

Prior to election or appointment, a Board member shall have been a corporate member of the corporation,' and shall have indicated a willingness to serve on the Board. Upon election or appointment to the Board, a Board member shall, for the term of such service, be a corporate member of the corporation irrespective of any other membership requirements.

- a) Nominating Committee: Each year the President shall appoint a Nominating Committee consisting of three (3) corporate members. It shall be the duty of the Nominating Committee to present to the corporate membership at the annual meeting of the Corporation a slate of nominees for election to the Board of Directors. Additional nominations may be made by corporate members at the annual meeting. The Nominating Committee shall also present to the Board of Directors at the first meeting of the Board after August 31, a slate of nominees for election as Officers and as members-at-large of the Executive Committee.
- b) Additional nominations for Officers and the Executive Committee may be made by Board members at such Board meeting.
- c) The Nominating Committee shall in addition advise the Board of Directors with respect to the filling of any other vacancies among Board members or Officers.
- d) The Nominating Committee may nominate one or more of its members to positions as Board member, Officer or Executive Committee member.
- e) The Nominating Committee, through the exercise of the foregoing duties, shall encourage an active, capable and committed membership on the Board of Directors and among the Officers, representative of the diverse elements of the community which may be affected by or which may have an effect upon the affordable housing in Bedford
- f) A quorum for meetings of the Nominating Committee shall be three (3).

Section 3: Term of Office

The members of the Board of Directors shall be elected for terms of office that are coterminous with their membership of the Bedford Housing Partnership

Section 4: Authority

The Board shall have the authority to manage the property and business of the corporation, always consistent with the corporation's purposes. This authority includes, but is not limited to, the following powers:

- a) Appointment of an Executive Director to administer the organization, direct its daily operation, and execute the policies of the Board. The Board shall determine the qualifications and duties for the Executive Director.
- b) Final absolute power of the corporation, including the power to enter into agreements and contracts, purchase, lease, sell property, issue and sell securities or bonds and the power to make loans or grants and purchase equity.
- c) Determination, subject to applicable laws and regulations of the federal and state governments, of major personnel, fiscal and program policy.
- d) Final approval of all program proposals and budgets.
- e) Enforcement of compliance with all applicable conditions or grants and contributions.

Section 5: Removal

The Board of Directors may remove any Director or Officer from office, for cause only, upon two (2) weeks written notice of a meeting called for such purpose, provided that a majority or more Board members voting in favor of removal shall be required to effect such removal. Absence from three (3) consecutive meetings of the Board of Directors, may be considered grounds for such removal.

Section 6: Vacancies

Vacancies on the Board of Directors shall be filled by the Board of Directors by a majority vote.

Section 7: Meetings

The Board of Directors shall meet at least four times per year, and not less frequently than every ninety-five (95) days.

- a) The Board of Directors shall from time to time fix the time and place of its regular meetings. A special meeting of the Board may be called by the President and shall be called by the President upon written request of three (3) or more Board members.
- b) The Clerk shall notify each Board Member by first class mail at least one week prior to any meeting of the Board. The Clerk shall also cause notice of each meeting of the Board of Directors to be posted in accordance with Section 23B of Chapter 39 of the General Laws of Massachusetts. All Board meetings shall be open to the public and held in a public place, except that the Board of Directors may exclude the public and enter into "executive session" in accordance with and for the purposes enumerated in said Chapter 39. Records and minutes of Board meetings shall be available for public inspection.
- c) A majority of the Board members currently serving on the Board of Directors shall constitute a quorum for the transaction of business at any meeting. There shall be no voting by proxy at any meeting of the Board of Directors.
- d) Except as otherwise provided in these Bylaws, the act of a majority of the Board members present at a duly called meeting when a quorum is present shall be the act of the Board of Directors.

ARTICLE IV (Officers)

Section I: Determination of Officers

At the first meeting of the Board of Directors after the annual meeting each year, the Board shall elect from among its members President, Vice President, Treasurer, and Clerk. In addition to the slate of Officers proposed by the Nominating Committee pursuant to Article Five, Section 2, of these Bylaws, any other Board member may be nominated at such meeting for an Officer Position. No one person may hold two (2) Officer positions simultaneously.

Section 2: Duties of Officers

The duties of each Officer shall be as follows:

- a) The President, as chief Officer and spokesperson for the corporation, shall, in addition to fulfilling normal duties of the position, appoint such committees as may be needed. All such appointments shall be approved by the Board of Directors. In addition, the president shall sign, on behalf of the corporation, all deeds, contracts and other formal instruments.
- b) The Vice President shall fulfill the responsibilities of the President during the President's absence or incapacity, assist the President in discharging responsibilities as the President may see fit, and fulfill any duties that may be determined by the Board or Directors, including signing, on behalf of the corporation, deeds, contracts and other formal instruments when specifically authorized by the Board of Directors.
- c) The Clerk shall be responsible for the taking and safekeeping of the official minutes of the corporation, its records and any other responsibilities as may be required under statutes of the Commonwealth of Massachusetts. The Clerk of the corporation shall be responsible for providing minutes of the prior meeting, along with the notice of each Board meeting as provided elsewhere in these Bylaws.
- d) The Treasurer of the corporation shall have all papers and records of the corporation and shall have the responsibility for the funds of the corporation and for keeping full and accurate accounts and records of all receipts and disbursements of the corporation. All such papers, records and accounts shall be kept at the Principal place of business of the corporation and be open to public inspection at reasonable times. The Treasurer shall render a detailed statement of the corporation's financial condition at the annual meeting of the corporation and whenever directed by the Board of Directors.

Section 3: Executive Committee

The Executive Committee shall act for and on behalf of the Board of Directors when the Board is not in session, but shall be accountable for the Board for its actions. It shall be composed of the President, Vice President, Clerk and Treasurer. The President will serve as Chairman of the Executive Committee.

Section 4: Term of office

The term of office of the Executive Director and for each Officer elected in accordance with Section 1 of this Article IV shall last for two (2) years or until a successor is elected. Officers are eligible for re-election to two successive terms.

Section 5: Vacancies

The Board of Directors may elect from among the corporate members a successor to fill out any unexpired term for which a vacancy exists.

ARTICLE V (Committees)

Section 1: Appointment and Authority

The President may, from time to time, appoint such other committees, as the Board may deem appropriate in pursuit of the corporation's purposes.

Section 2: Limitation of Authority

Such committees shall be advisory and recommending in nature, shall be composed of members of the Board and/or from the supporting/corporate members, and shall report to the Board of Directors for action on their reports. The reports of all committees shall be read into or attached to the minutes of the meeting at which they are presented. The President shall have power at any time to fill vacancies on any committee and to change its membership. In addition, the President may discharge the committee by vote of a majority of the Board.

ARTICLE VI (Indemnification)

Bedford Housing Trust shall, to the extent legally permissible, indemnify each of its Directors and former officers, and may indemnify all employees or agents of the corporation against all liabilities and expenses, including amounts paid in satisfaction of judgment, in compromise or in fines and penalties, and counsel fees, reasonably incurred in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, in which such party may be involved or with which such party may be threatened, while in office, except with respect to any matter as to which such shall have been adjudicated in any proceeding not to have acted in good faith, in the reasonable belief that the action at the issue was in the best interests of the corporation; provided, however, that as to any matter disposed by a compromise payment by such Director, Officer, employee or agent pursuant to a consent decree or otherwise, no indemnification, either for said payment or for any other expenses, shall be provided unless such compromise shall be approved as in the best interests of the corporation, after a notice that it involves such indemnification, if a majority of the Directors then in office are disinterested, by two-thirds (2/3) of the disinterested Directors then in office. The right of indemnification hereby provided shall not be exclusive of or affect any other rights to which any Director, Officer, employee or agents may be entitled. As used in this paragraph, the terms "Director", "Officer", "employee" and "agent" include their respective heirs, executors and administrators, and an "interested" Director or Officer is one against whom in such capacity the proceedings in question or another proceeding on the same grounds is pending.

ARTICLE VII (Conflict of Interest)

A Director of Bedford Housing Trust, shall be deemed to have a conflict of interest whenever there is an actual or proposed contract or other transaction with the Bedford Housing Trust where such Director or any other corporation, firm or association of which such Director is or intends to be a Director, Officer, stockholder, employee or member, may be party or have an interest, pecuniary or otherwise, but such conflict of interest, in the absence of fraud,

shall not affect or invalidate such contract or transaction, provided that the nature and extent of the Director's interest was disclosed to, or obviously known by, the Board of Directors before acting on such contract or other transaction, and provided further that such Director may not be counted in determining the existence of a quorum at any meeting of the Board of Directors when such contract or transaction is authorized and provided that such Director shall not participate in the vote to authorize any such contract or transaction. No Director or Officer shall receive any compensation or remuneration for acting in such capacity; provided, however, that the Board of Directors may reimburse its members for any reasonable and necessary expense incurred in the performance of duties to the corporation.

Article VIII
(Annual Meeting, Fiscal Year, Parliamentary Authority)

Section 1: Annual Meeting

The annual meeting of the corporate membership of Bedford Housing Trust shall be held no later than September 30 for the purpose of electing Directors, receiving annual reports, and other appropriate business.

- a) Special Meetings: Special corporate meetings may be called at any time by the Board of Directors. The first annual meeting of the corporation shall be September 13, 1994.
- b) Notice: Notice of each subsequent general membership meeting shall be posted in accordance with Section 2313 of Chapter 39 of the General Laws of Massachusetts, shall be published at least one (1) week prior to such meeting in the Bedford Minuteman or other newspaper of general circulation in the Town of Bedford, and shall also be mailed at least one (1) week prior to such meeting to all the general members eligible to vote.
- c) Quorum: Nine (9), or a Majority of corporate members, whichever is lesser, shall constitute a quorum at any meetings of the membership.

Section 2: Fiscal Year

The fiscal year of Bedford Housing Trust Shall extend from January I through the ensuing December 31, except as otherwise determined by the Board of Directors.

Section 3: Parliamentary Authority

At meetings of the general membership and of the Board of Directors of Bedford Housing Trust, Roberts' Rules of Order shall govern in cases of conflicts or uncertainty over interpretations or procedural issues not covered by these Bylaws; but otherwise, strict procedure need not apply.

ARTICLE IX
(Amendment)

These Bylaws may be amended by a majority of the corporate membership voting in favor of the amendment, a copy of which shall have been furnished each member at least two (2) weeks prior to the meeting at which the proposed amendment will be voted.

ARTICLE X
(Dissolution)

In the event of dissolution, the assets of Bedford Housing Trust, after payment of all its liabilities, shall be transferred to the Town of Bedford, Massachusetts, or to such governmental authority or to one or more charitable or educational organizations exempt under Section 501(c)(3) of the Internal Revenue Code, as the Board of Selectmen of the Town of Bedford may designate, provided that dissolution shall occur in the manner permitted by law, Section 11A of Chapter 180 of the General Laws of Massachusetts.

Bedford Housing Trust

Proper notice being given, the by-laws of the Bedford Housing Trust were amended September 10, 1996 as follows:

Article VIII

Section 1: Annual Meeting

The annual meeting of the corporate membership of The Bedford Housing Trust shall be held no later than September 30 for the purpose of electing Directors, receiving annual reports and other appropriate business.

Proper notice being given, the by-laws of the Bedford Housing Trust were amended September 23,2000 as follows:

Article VIII

Section 1 (c) Quorum: Nine (9), or a Majority of corporate members, whichever is lesser, shall constitute a quorum at any meetings of the membership.

REGULATORY AGREEMENT

[FHLBB-NEW ENGLAND FUND]

For Ownership Projects

This Regulatory Agreement (this "Agreement") is made this _____ day of _____, 2002 by Salisbury Hill Corporation, a Massachusetts Corporation having an address at 574 Boston Road Unit 15, Billerica, MA ("Developer") and Middlesex Federal Savings Bank of Somerville, MA (the "Bank"), a member institution of the Federal Home Loan Bank of Boston.

BACKGROUND:

A. The Developer intends to construct a 44-unit homeownership development on a 5.54 Acre site on Salem Road in Billerica, MA, more particularly described in Exhibit A attached to and made a part of this Agreement (the "Project"), to be known as the Salisbury Hill Estates Condominium;

B. The Developer has received a comprehensive permit (the "Comprehensive Permit") from the Zoning Board of Appeals for the Town of Billerica (the "Municipality") under Chapter 40B of the Massachusetts General Laws, which permit is recorded at the North Middlesex County Registry of Deeds (the "Registry") in Book 13266 at Page 221.

C. The Comprehensive Permit has specified that 11 units, or 25% of the total units in the Project will be affordable units (the "Affordable Units") which will be subject to this Regulatory Agreement to restrict the sale of the Affordable Units to moderate income home buyers.

D. Pursuant to the terms of this Regulatory Agreement, the Affordable Units will be sold to households earning no more than eighty percent (80%) of the median income, by household size, for the Lowell Primary Metropolitan Statistical Area (the "Base Income") as published from time to time by the Department of Housing and Community Development of the Commonwealth of Massachusetts or successor agency ("DHCD").

E. The Project is being financed under the Federal Home Loan Bank of Boston's New England Fund ("NEF") and the NEF requires that the Developer provide the number of Affordable Units described above;

F. Pursuant to the requirements of the Comprehensive Permit and this Regulatory Agreement, the Developer has agreed to retain the Billerica Housing Authority (the "Monitoring Agent") to perform monitoring (including running the lottery) and enforcement services regarding compliance of the Project with the Affordability Requirement and compliance of the Developer with the Limited Dividend Requirement.

G. The Affordable Units are Units Nos. 13,24,32,53,64, 73, 81, 93, 102, and 114 of the Salisbury Hill Estates Condominium, a condominium to be established by Master Deed as described in paragraph A above.

NOW THEREFORE, in consideration of the agreements and covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Developer and the Bank agree and covenant as follows:

1. Unit Designation. The prices of the Affordable Units are as set forth below:

Number of Units	11 Units
Initial Market Appraised Value	\$ 229,900
Initial Affordable Price (the initial Certified Sale Price)	\$ 157,500
Discount Rate (ratio of Initial Certified Sale Price to Initial Market Appraised Value free of restrictions under this Agreement)	68.5%

The Discount Rate for each Affordable Unit shall be equal to the Certified Sale Price of that Affordable Unit on the date of execution of this Agreement divided by the Fair Market Appraised Value of that Affordable Unit on the date of execution of this Agreement. The Certified Sale Price of an Affordable Unit shall be the price such that a household earning the Base Income for a family of four would pay no more than 30% of gross income for the sum of annual debt service on a mortgage of 90% of the Certified Sales Price (including principal and interest at current interest rates) plus property taxes, insurance and any condominium/homeowner association fees. The appraised value of the Affordable Unit shall be the fair market value of the unit at the time of the proposed sale made on the assumption that the unit is not subject to the restrictions contained in this Agreement or in the Deed Rider, as determined by an appraiser retained by the seller of the Affordable Unit. The Discount Rate set forth above has been determined in accordance with this procedure and shall be binding on all parties to this Agreement and on all their successors and assigns, including successors in title to any Affordable Unit. .

2. Affordability. Except as specifically provided in the Deed Rider attached as Exhibit B, the Affordable Units shall be sold to households which have an annual income equal to or less than the Base Income as adjusted from time to time according to DHCD guidelines.

The first sale of an Affordable Unit by the Developer shall be at a price not in excess of the Initial Affordable Price set forth in Section 1 of this Agreement for that Affordable Unit. Subsequent sales of Affordable Units shall be for sale prices that are not in excess of the maximum price at the time of sale determined as set forth in this paragraph (the "Maximum Sale Price"). An owner of an Affordable Unit wishing to sell the Affordable Unit may sell such unit at a maximum price equal to the appraised value of the Affordable Unit as determined by an appraiser retained by the seller of the Affordable Unit multiplied by the Discount Rate established in paragraph 1; provided, however, that if the owner paid a purchase price for the unit which is greater than that maximum price and which at the time of purchase complied with the requirements of this Agreement and which is recited in an Eligible Purchaser Certificate or a Municipal Purchaser Certificate referred to in Exhibit B and recorded with the Registry, then the owner may sell the Affordable Unit for a purchase price equal to the purchase price paid. The appraised value of the Affordable Unit shall be the fair market value of the unit at the time of the proposed sale made on the assumption that the unit is not subject to the restrictions contained in this Agreement or in the Deed Rider, as determined by an appraiser retained by the seller of the Affordable Unit. The Discount rate shall then be applied to that appraised value to determine the maximum price and to preserve the affordability of the Affordable Units.

3. Deed Riders. At the time of sale of the Affordable Units by the Developer, the Developer shall execute and shall as a condition of sale cause the purchasers of the Affordable Units to execute a deed rider substantially in the form of Exhibit B attached to and made a part of this Agreement (each a "Deed Rider"). Each Deed Rider shall require the unit owner at the time he/she desires to sell the Affordable Unit to notify the Monitoring Agent of the discounted purchase price based on an appraisal ordered by the seller and more particularly described in the Deed Rider. The owner of the Affordable Unit must thereafter offer the unit to the Monitoring Agent which mayor may not exercise its right-of-first refusal and if not, the seller must find a purchaser who meets the income guidelines.

If the Affordable Unit owner is unable to find an eligible purchaser within a 120 day period from the date the Affordable Unit was put on the market, as determined by the date of the first advertisement for sale, or the date an agreement was signed with a listing broker to market the Affordable Unit, the seller can sell the Affordable Unit to any person, regardless of his/her income and at any price, free of any future resale restrictions, provided that the difference between the actual resale price and the Maximum Sale Price at the time of sale shall be paid to the Monitoring Agent for deposit in an affordable housing fund to be used by the Monitoring Agent to support other affordable housing within the Municipality.

The Deed Rider requires the Affordable Unit owner and any purchaser to execute at the time of resale a similar Deed Rider which shall be attached to and made a part of the deed from the owner to the purchaser, so that the affordability of each Affordable Unit will be preserved each time that subsequent resale of the Affordable Unit occurs during the period of affordability specified in this Agreement.

4. Dividend Limitation. Developer agrees that the profit to the Developer or to the partners, shareholders, or other owners of Developer or of the Project shall not exceed twenty

percent (20%) of total development costs of the Project, exclusive of development fees (the "Allowable Profit"). Upon issuance of a final Certificate of Occupancy for all of the units in the Project, the Developer shall deliver to the Monitoring Agent an itemized statement of total development costs together with a statement of gross sales revenues from the Project received by the Developer to date certified by the Developer ("Certified Cost and Income Statement"). If all units in the Project which are offered for sale have not been sold as of the date the Certified Cost and Income Statement is delivered to the Monitoring Agent, the Developer shall at least once every ninety (90) days thereafter; until such time as all of the units which are offered for sale are sold, deliver to the Monitoring Agent an updated Certified Cost and Income Statement. After all units in the Project, which are offered for sale have been sold, the Developer shall deliver to the Monitoring Agent a final Certified Cost and Income Statement. All profits from the Project in excess of the Allowable Profit shall be paid by the Developer to the Municipality for deposit in an affordable housing fund to be used by the Municipality for the purposes of encouraging, creating or subsidizing the construction or rehabilitation of affordable housing elsewhere in the Municipality. The Allowable Profit shall be measured as the excess of certified income, less any brokerage fees and commissions and selling expenses over certified costs and less all development costs related to the Project including costs incurred by the developer as administrative and overhead expenses which do not exceed four percent (4%) of total development costs, excluding such administrative and overhead costs. Acceptable development costs include, but are not limited to, the cost of site acquisition, defined as that land value, which can be underwritten by the Project and which, can be supported by the subsidizing entity's appraisal upon which its construction loan is based. .

5. Affirmative Marketing. The Monitoring Agent shall not discriminate on the basis of race, creed, color, sex, age, handicap, marital status, national origin or any other basis prohibited by law in the selection of the buyers for the Affordable Units. The Monitoring Agent shall affirmatively market the Affordable Units to minority households through direct outreach efforts to local churches, social service and civic organizations as well as local and area-wide newsprint media where minority households are most likely to be contacted. This outreach effort must continue for a period of at least 60 days prior to the selection of buyers for the Affordable Units. The Monitoring Agent agrees to maintain for at least five (5) years following the sale of the Affordable Units, a record of all newspaper ads, outreach letters translations, leaflets and any other outreach efforts which may be inspected by the Municipality.

6. Recording. Upon execution of this Agreement, the Developer shall immediately cause this Agreement to be recorded or filed with the Registry. Upon recording and/or filing as applicable, the Developer shall immediately transmit to the Bank and the Monitoring Agent evidence of such recording and/or filing.

7. Representations. The Developer represents, covenants and warrants as follows:

- (a) The Developer (i) is a corporation duly organized under the laws of the Commonwealth of Massachusetts, and is qualified to transact business under the laws of this state, (ii) has the power and authority to own properties and assets and

to carry on its business as now being conducted, and (iii) has full legal right, power and authority to execute and deliver this Agreement.

- (b) The execution and performance of this Agreement by the Developer (i) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (ii) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note or other instrument to which the Developer is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.
- (c) The Developer will, at the time of execution and delivery of this Agreement, have good and marketable title to the Project free and clear of any lien or encumbrance, subject to the encumbrances created pursuant to this Agreement, any loan documents relating to the Project, or other permitted encumbrances.

8. Governing Law/Amendments/Severability. This Agreement shall be governed by the laws of The Commonwealth of Massachusetts. Any amendments to this Agreement must be in writing and executed by all of the parties to this Agreement. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions of this Agreement.

9. Monitoring Agent. The Developer shall retain the Monitoring Agent for purposes of monitoring Developer's performance under this Agreement pursuant to an agreement acceptable to the Monitoring Agent and the Bank. All notices and reports required to be submitted under this Agreement shall be submitted directly to the Monitoring Agent. The Monitoring Agent shall have authority to act in all matters relating to this Agreement.

10. Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when delivered by hand or when mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties to this Agreement at the addresses set forth below, or to such other place as a party may from time to time designate by written notice with a copy to the Monitoring Agent:

Developer:

Salisbury Hill Corporation
574 Boston Road-Unit 15
Billerica, MA 01821

With a copy to:

Edith M. Netter, Esq
Edith M. Netter & Associates, P.C.
375 Totten Pond Road
Waltham, MA 02451

Bank

Middlesex Federal Savings Bank
One College Square
Somerville, MA

Monitoring Agent:

Billerica Housing Authority
16 River Street
Billerica, MA 01821

11. Term. The term of this Agreement shall be until ninety-nine years or for as long as the condominium is not in compliance with the zoning requirements' of the Town of Billerica, whichever period is longer, terminating with respect to each of the Affordable Units on the date on which the Deed Rider attached as Exhibit B is no longer applicable to such Affordable Unit.

Upon the expiration of the term of this Agreement, each of the then owners of Affordable Units shall be bound to pay to the Municipality (a) all proceeds of sale at the time of sale in excess of the Maximum Sale Price of such unit at the time of sale as if such unit were still subject to the provisions of this Agreement, which sale shall be at arms length and for the fair market value of such unit, or (b) a payment by refinancing or from other sources to the Municipality in the same amount as the Municipality would receive if such unit were still subject to the provisions of this Agreement in the event of a sale at fair market value on the date of payment the expiration of the term of this Agreement. The provisions of this section of this Agreement shall survive the expiration of the term of this Agreement.

12. Successors and Assigns. The Developer intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Agreement and the covenants, agreements and restrictions contained in this Agreement shall be and are covenants running with the land, encumbering the Project for the term of this Agreement, and are binding upon the Developer's successors in title, (ii) are not merely personal covenants of the Developer, and (iii) shall bind the Developer, its successors and assigns for the term of the Agreement. Developer agrees that any and all requirements of the laws of The Commonwealth of Massachusetts to be satisfied in

order for the provisions of this Agreement to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are also deemed to be satisfied in full.

13. Default. If any default, violation or breach by the Developer under this Agreement is not cured or the Developer has not made a good faith effort to so cure to the satisfaction of the Monitoring Agent within thirty (30) days after written notice to the Developer thereof, then the Monitoring Agent may send written notification to the Bank and the Federal Home Loan Bank of Boston (FHLBB) that the Developer is in violation of the terms and conditions of this Agreement. The Bank and/or the FHLBB may exercise any remedy available to it, including calling its advance under the NEF or increasing the interest rate on such advance. The Monitoring Agent may also exercise any legal remedy available to it. The Developer shall pay all costs and expenses, including reasonable legal fees, incurred by Monitoring Agent in enforcing this Agreement, and, in the event of any action by the Monitoring Agent against the Developer, the Monitoring Agent shall be entitled to seek an attachment against the Developer's property including, without limitation, its interest in the Project. The Monitoring Agent may perfect a lien on the Project by recording/filing a certificate setting forth the amount of the costs and expenses due and owing in the Registry. A purchaser of the Project or any portion of it shall be liable for the payment of any unpaid costs and expenses which were the subject of a recorded/filed certificate prior to the purchaser's acquisition of the Project or portion thereof

14. Mortgagee Consent. The Developer represents and warrants that it has obtained the consent or subordination of all existing mortgagees of the Project to the execution and recording of this Agreement and to the terms and conditions of this Agreement and that all such mortgagees have executed a consent or subordination to this Agreement which shall be recorded/filed herewith.

15. Responsibility of Monitoring Agent. The Monitoring Agent shall not be held liable for any action taken or omitted under this Agreement so long as it shall have acted in good faith and without gross negligence.

16. Indemnification. The Developer agrees to indemnify and hold harmless the Monitoring Agent against all damages, costs and liabilities, including reasonable attorney's fees, asserted against the Monitoring Agent by reason of its relationship to the Project under this Agreement provided that the Monitoring Agent has not acted in bad faith or with gross negligence.

17. Amendments This Agreement shall not be amended without written consent of the Monitoring Agent, said written consent not to be unreasonably withheld or delayed.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed as a sealed instrument as of the date first above written.

DEVELOPER:

BANK:

SALISBURY HILL CORPORATION

MIDDLESEX FEDERAL SAVINGS BANK

By: _____
Its

By: _____
Its

COMMONWEALTH OF MASSACHUSETTS

County of _____, 200__.

Then personally appeared the above-named _____, the _____ of _____ and acknowledged the foregoing instrument to be the free act and deed of _____, before me

Notary Public

My Commission Expires:

MAY 08 2003

MONITORING SERVICES AGREEMENT

[FHLBB-NEW ENGLAND FUND J For Ownership Projects

THIS AGREEMENT is made as of the 18th day of February, 2003, by and between Salisbury Hill Corporation, a Massachusetts corporation having an address at 574 Boston Road, Billerica, MA ("Developer") and the Citizens Housing and Planning Association with an address at 18 Tremont Street, Boston, MA ("Monitoring Agent").

Background

A. The Federal Home Loan Bank of Boston ("FHLBB") has agreed to provide a subsidized advance (the "Subsidized Advance") under the New England Fund (the "NEF") to the Middlesex Federal Savings Bank (the "Bank") for the purpose of financing a project containing 44 residential housing units located at 81 and 85 Salem Road in Billerica, Middlesex County, Massachusetts (the "Project").

B. The Project has received a comprehensive permit from the Zoning Board of Appeals of the Town of Billerica (the "Municipality") under Massachusetts General Laws, Chapter 40B (the "Comprehensive Permit") and is subject to a Regulatory Agreement, dated March 20, 2003 between the Bank and the Developer (the "Regulatory Agreement").

C. Pursuant to the guidelines of the NEF for comprehensive permit projects, the Comprehensive Permit and the Regulatory Agreement, at least 11 units in the Project (the "Affordable Units") are required to be sold to households whose incomes do not exceed 80% of the median income for the Lowell Metropolitan Statistical Area. In addition, the Affordable Units will be subject to deed riders governing resale (the "Affordability Requirement") for the longer of (i) a period of 99 years or (ii) for as long as the condominium is not in compliance with the zoning requirements of the town of Billerica.

D. Pursuant to the guidelines of the NEF for comprehensive permit projects, the Comprehensive Permit and the Regulatory Agreement, the Developer may not receive profit in excess of 20% of total development costs of the Project (the "Limited Dividend Requirement").

E. Pursuant to requirements of the Regulatory Agreement, the Developer has agreed to retain the Monitoring Agent to perform monitoring and enforcement services regarding compliance of the Project with the Affordability Requirement and compliance of the Developer with the Limited Dividend Requirement.

Agreement

For one dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, Intending to be legally bound, agree as follows:

1. Monitoring Services. Monitoring Agent shall monitor the compliance of the Project with the Affordability Requirement and the compliance of the Developer with the Limited Dividend Requirement, including:

- (i) Receipt of cost certifications for the Project from the Developer.
- (ii) Review of (x) the adequacy and completeness of cost certifications and (y) the substantive compliance of the Project with the Affordability Requirement and of the Developer with the Limited Dividend Requirement.
- (iii) Review of income certifications, deeds and deed riders with respect to initial sales of Affordable Units.
- (iv) Certifying to the owners of Affordable Units as to the maximum sales price which a household having the Base Income (as defined in the Regulatory Agreement) can pay for an Affordable Unit.
- (v) Monitoring of re-sales of Affordable Units for compliance with the terms of the applicable deed riders and issuance of certifications, as appropriate, approving resales and the payment of recapture amounts.
- (vi) Preparation annually of a report (the "Annual Compliance Report") to the Bank (while its loan is still outstanding), FHLBB and the Municipality on the compliance (x) of the Developer with reporting requirements (so long as the Developer still owns units in the Project offered for sale), (y) of the Project with the Affordability Requirement and (z) of the Developer with the Limited Dividend Requirement (until the Developer submits a satisfactory final report on the Project showing that the developer has satisfied the Limited Dividend Requirement). The Annual Compliance Report shall indicate the extent of noncompliance with the relevant reporting and/or substantive requirements, describe efforts being made by the Developer to remedy such noncompliance and, if appropriate, recommend a demand by the FHLBB and/or the Bank (while its loan is still outstanding) for repayment of the Subsidized Advance or other possible enforcement action against the Developer.
- (vii) Circulation of an Annual Compliance Report to the FHLBB, to the Bank (while its loan is still outstanding) and to the Zoning Enforcement Officer of the Municipality within 120 days after the end of each calendar year.

The Monitoring Agent may provide reasonable supplemental monitoring on its own initiative in order to ensure to the extent practicable the compliance of the Project and the Developer with the Affordability Requirement and the Limited Dividend Requirement. The services under this Agreement shall not include any construction period monitoring. The services under this Agreement shall include follow-up discussions with the Developer, if appropriate, after an event of noncompliance.

2. Monitoring Services Fee. The Monitoring Agent shall receive a fee of \$7,500 from the Developer at the time of execution of this Agreement. Such fee shall constitute payment for the services of the Monitoring Agent with respect to the Limited Dividend Requirement and the initial sales of the Affordable Units. Thereafter, the Monitoring Agent shall receive a fee of one-half of one percent of the maximum Affordable Unit Sales Price, to be paid by each Seller of the Affordable Unit at each closing as a condition precedent to closing for the services with respect to monitoring the sales transaction as provided in this Agreement. Such fee shall be payable for all transfers of Affordable Units, including those to the Municipality, an eligible purchaser or an ineligible purchaser. If the Monitoring Agent's fee is not paid at the time of closing, the Monitoring Agent shall be entitled to payment from the purchaser of the Affordable Unit and to bring an action and seek an attachment of the interest of the purchaser in the Affordable Unit. The deed rider attached to the deed of each Affordable Unit shall contain a covenant obligating the owner of each Affordable Unit to make these payments. FHLBB shall have no responsibility for payment of any fee to Monitoring Agent under this Agreement.

3. Enforcement Services. In the event of serious or repeated violations of the substantive or reporting requirements of the Regulatory Agreement or a failure by the Developer to take appropriate actions to cure a default under the Regulatory Agreement, the Monitoring Agent shall have the right, at its discretion to take appropriate enforcement action against the Developer, including, without limitation, notice to the FHLBB, to the Municipality and/or to the Bank or legal action to compel the Developer to comply with the requirements of the Regulatory Agreement. The Regulatory Agreement provides for payment by the Developer of fees and expenses (including reasonable legal fees) of the Monitoring Agent in the event enforcement action is taken against the Developer thereunder or under this Agreement. The Monitoring Agent shall be entitled to seek recovery of its fees and expenses incurred in enforcing the Regulatory Agreement against the Developer and to seek an attachment, including an attachment of the interest of the Developer in the Project in connection with any action to recover its fees and expenses, and to assert the lien described in the Regulatory Agreement.

In the event of a violation of the provisions of a deed rider, the Monitoring Agent shall have the right, at its discretion, to take appropriate enforcement action against the unit owner or the unit owner's successors in title, including, without limitation, notice to the FHLBB, and to the Municipality and/or to the Bank or legal action to compel the unit owner to comply with the requirements of the relevant deed rider. The form of deed rider will provide for payment by the unit owner of fees and expenses (including legal fees) of the Monitoring Agent in the event enforcement action is taken against the unit owner thereunder or under this Agreement. The Monitoring Agent shall be entitled to seek recovery of its fees and expenses incurred in enforcing a deed rider against the unit owner and in any action to seek an attachment of the relevant unit to

secure payment of such fees and expenses and to assert a lien against the unit as provided in the deed rider.

The Monitoring Agent shall not be entitled to seek any compensation or reimbursement from FHLBB or the Bank in connection with the enforcement services under this Section 3, it being understood that the Monitoring Agent shall look solely to the reimbursement rights described above for payment of the Monitoring Agent's costs and expenses. Nothing in this Agreement shall be construed to require the Monitoring Agent to expend more than \$2,000 in enforcing the provisions of the Regulatory Agreement or to take any particular enforcement action against Developer.

4. Term. The monitoring services are to be provided for the full term of the Regulatory Agreement and shall terminate upon termination of the Regulatory Agreement.

5. Responsibility of Monitoring Agent. The Monitoring Agent shall not be held liable for any action taken or omitted under this Agreement so long as it shall have acted in good faith and without gross negligence.

6. Indemnity. The Developer, for itself and its successors and assigns, agrees to indemnify and hold harmless the Monitoring Agent against all damages, costs and liabilities, including reasonable attorney's fees, asserted against the Monitoring Agent by reason of its relationship with the Project under this Agreement and not involving claims that the Monitoring Agent acted in bad faith and with gross negligence.

7. Applicable Law. This Agreement, and the application or interpretation of this Agreement, shall be governed by the laws of The Commonwealth of Massachusetts.

8. Binding Agreement. This Agreement shall be binding on the parties to this Agreement, their heirs, executors, personal representatives, successors and assigns. In the event that the Monitoring Agent shall cease to exist under this Agreement, then a successor Monitoring Agent may be appointed by FHLBB and the Municipality.

9. Headings. All paragraph headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of the paragraph.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be duly executed as of the date first written above.

DEVELOPER

By: 

MONITORING AGENT

By: 
Its Executive Director

EXHIBIT B
DEED RIDER
For
FHLBB New England Fund

Ownership Project

(annexed to and made part of that certain deed (the "Deed")
from Salisbury Hill Corporation ("Grantor")
to _____ ("Grantee")
dated _____, 200

WITNESSETH:

WHEREAS, a comprehensive permit for land in the City/Town of Billerica, Massachusetts (the "Municipality") has been granted under Chapter 40B of M.G.L. for the purpose of constructing 44 residential units (the "Project") comprised of 33 units to be sold by the Grantor at market rates, 11 units to be sold to households with low and moderate incomes in accordance with the terms and provisions of the Regulatory Agreement by and between the Salisbury Hill Corporation (the "Developer") and Middlesex Federal Savings Bank (the "Bank"), as part of the New England Fund Program (the "Regulatory Agreement") which Regulatory Agreement is dated _____, 200__ and is recorded/filed with the North Middlesex County Registry of Deeds (the "Registry") in Book _____ at Page _____;

WHEREAS, the rights and restrictions granted in this Rider to the Monitoring Agent and the Municipality serve the public's interest in the creation and retention of affordable housing for persons and families of low and moderate income and in the restricting the resale price of property in order to assure its affordability by future low and moderate income purchasers;

WHEREAS, pursuant to the Regulatory Agreement, eligible purchasers such as the Grantee are given the opportunity to purchase certain 'property at a discount of the property's appraised fair market value if the purchaser agrees to convey the property on resale to an eligible purchaser located by the Monitoring Agent or, to the Monitoring Agent, for a "Maximum Resale Price" as specified in this Rider and in the Regulatory Agreement;

WHEREAS, the Grantor and the Grantee are participating in the NEF Program, and in accordance with the NEF Program the Grantor is conveying that certain real property more particularly described in the Deed to which this Deed Rider is attached ("Property") to the Grantee at a consideration which is less than the appraised value of the Property; and

WHEREAS, a Discount Rate equal to 68.5% of the 'appraised fair market value of the Property (the "Discount Rate") is assigned to the Property, and such Discount Rate shall be used in determining the Maximum Resale Price of the Property;

NOW THEREFORE, as further consideration from the Grantee to the Grantor and the Monitoring Agent and the Municipality for the conveyance of the Property at a discount in accordance with the Regulatory Agreement, the Grantee, his/her heirs, successors and assigns, agrees that the Property shall be subject to the following rights and restrictions which are imposed for the benefit of and shall be enforceable by, the Grantor's assignees and designees, or the Monitoring Agent or the Municipality, acting by and through its chief elected official.

1. Right of First Refusal. (a) When the Grantee or any successor in title to the Grantee shall desire to sell, dispose of or otherwise convey the Property, or any portion thereof, the Grantee shall first notify the Monitoring Agent and subsequently the Municipality in writing of the Grantee's intention to so convey the Property (the "Notice"). The Notice shall contain an appraisal of the fair market value of the Property (assuming the Property is free of all restrictions set forth in this Rider or in the Regulatory Agreement) acceptable to the Monitoring Agent prepared by a real estate appraiser acceptable to the Monitoring Agent and qualified to appraise property for secondary mortgage markets and recognized as utilizing acceptable professional appraisal standards in Massachusetts, and the Notice shall set forth the appraised value, the Discount Rate and the Maximum Resale Price of the Property and shall advise the Municipality of a 30 day right of first refusal in favor of the Municipality. The Maximum Resale Price is equal to the appraised value multiplied by the Discount Rate expressed as a fraction (as opposed to a percent). Within thirty (30) days of the giving of the Notice by the Grantee, the Municipality shall notify the Grantee in writing as to whether the Municipality is proceeding to locate an eligible purchaser of the Property or the Municipality shall exercise its right of first refusal to purchase the Property (the "Municipality's Notice"). For the purpose of this Deed Rider, an "eligible purchaser" shall mean a purchaser whose household income is less than the Base Income as defined in the Regulatory Agreement, and who, if located by the Municipality, is ready and willing to purchase the Property within ninety (90) days after the Grantee gives the Notice.

(b) In the event that (i) the Municipality's Notice states that the Municipality does not intend to proceed to locate an eligible purchaser and that the Municipality does not intend to exercise its right of first refusal to purchase the Property, or the Municipality fails to give the Municipality's Notice within thirty (30) days, the Grantee must use diligent efforts to find an eligible purchaser within a one hundred twenty (120) day period from the date the Property is put on the market, as determined by the date of the first advertisement for sale, as set forth below. The ten "diligent efforts" shall mean (A) the placement of an advertisement in the real estate section of at least one newspaper of general circulation for a period of three consecutive weeks which sets forth a customary description of the unit for sale, a single price which is not in excess of the Maximum Resale Price, Grantee's telephone number, and the phrase: *"Sale of unit subject to certain guidelines and restrictions with respect to the maintenance and retention of affordable housing for households of low and moderate income."* and (B) the receipt of satisfactory evidence that the new purchaser qualifies as an eligible purchaser. If the Grantee is unable to locate an eligible purchaser within one hundred twenty (120) days from the date the Property is

put on the market, the Grantee may convey the Property to any third party at fair market value, free of all restrictions set forth in this Deed Rider, provided, however, all consideration and payments of any kind received by the Grantee for the conveyance of the Property to the third party which exceeds the Maximum Resale Price shall be immediately and directly paid to the Municipality after review by the Monitoring Agent. Upon receipt of this excess amount, if any, the Municipality shall issue to the third party and to the Monitoring Agent a certificate in recordable form (the "Compliance Certificate") indicating the Municipality's receipt of the excess amount. This Compliance Certificate is to be recorded in the North Middlesex County Registry of Deeds and such Compliance Certificate may be relied upon by the then owner of the Property and by third parties as constituting conclusive evidence that such excess amount, if any, has been paid to the Municipality, or that no excess amount is payable, and that the rights, restrictions, agreements and covenants set forth in this Deed Rider are null and void. The sale price to a third party shall be subject to the Monitoring Agent's approval, with due consideration given to the value set forth in the appraisal accompanying the Notice and the Monitoring Agent may withhold its approval if in its sole judgment the purchase price is not consistent with the requirements of this Deed Rider and the Regulatory Agreement. The Monitoring Agent's approval of the sale price shall be evidenced 'by its issuance of an acceptance by the Monitoring Agent of the Municipality's Compliance Certificate. Funds received by a Municipality under this paragraph shall be deposited in an affordable housing fund to be used by the Municipality to support other affordable housing within the municipality.

(c) In the event the Municipality, within said thirty (30) day period, notifies the Grantee that the Municipality is proceeding to locate an eligible purchaser or that the Municipality shall exercise the Municipality's right of first refusal to purchase the Property, the Municipality may locate an eligible purchaser, who shall purchase the Property at a price not in excess of the Maximum Resale Price subject to a Deed Rider, within sixty (60) days of the date that the Municipality's Notice is given, or the Municipality may purchase the Property itself at a price not in excess of the Maximum Resale Price within sixty (60) days of the date that the Municipality's Notice is given. If more than one eligible purchaser is located by the Municipality, the Municipality shall conduct a lottery or other like procedure to determine which eligible purchaser shall be entitled to the conveyance of the Property.

(d) If an eligible purchaser is selected to purchase the Property, or if the Municipality elects to purchase the Property, the Property shall be conveyed by the Grantee to such eligible purchaser or to the Municipality as the case may be, by a good and sufficient quitclaim deed conveying a good and clear record and marketable title to the Property free from all encumbrances except (i) such taxes for the then current year as are not due and payable on the date of delivery of the deed (ii) any lien for municipal betterments assessed after the date of the Notice, (iii) provisions of local building and zoning laws, (iv) all easements, restrictions, covenants and agreements of record specified in the Deed from the Grantor to Grantee, (v) the Regulatory Agreement which cannot be amended without the consent of the Monitoring Agent, (vi) such additional easements, restrictions, covenants and agreements of record as the Municipality and the Monitoring Agent consent to, such consent not to be unreasonably withheld or delayed, and (vii) in the event that the Property is conveyed to an eligible purchaser, a Deed Rider satisfactory in form and substance to the Monitoring Agent' which the Grantee agrees to annex to said deed.

(e) Said deed shall be delivered and the purchase price paid (the "Closing") at the Registry, or at the option of the eligible purchaser (or the Municipality, as the case may be, if the Municipality is purchasing the Property), exercised by written notice to the Grantee at least five (5) days prior to the delivery of the deed, at such other place as the eligible purchaser (or the Municipality, as the case may be, if the Municipality is purchasing the Property) may designate in said notice. The Closing shall occur at such time and on such date as shall be specified in a written notice from the eligible purchaser (or the Municipality, as the case may be, if the Municipality is purchasing the Property) to the Grantee, which date shall be at least five (5) days after the date on which such notice is given, and if the eligible purchaser is a purchaser located by the Municipality, or if the Municipality is purchasing the Property no later than sixty (60) days after the Municipality's Notice is given to the Grantee.

(f) To enable Grantee to make conveyance as provided in this Deed Rider, Grantee may if he/she so desires at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests; all instruments so procured to be recorded simultaneously with the delivery of said deed.

(g) Water and sewer charges and taxes for 'the then current tax period shall be apportioned and fuel value and any common area charges or association fees, if any, shall be adjusted as of the date of Closing and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the eligible purchaser or by the Municipality.

(h) Full possession of the Property free from all occupants is to be delivered at the time of the Closing, the Property to be then' in the same condition as it is in on the date of the Grantee's Notice, reasonable wear and tear only excepted.

(i) If Grantee shall be unable to give title or to make conveyance as above stipulated, or if any change of condition in the Property not included in the above exception shall occur, then the Closing shall be extended for up to thirty (30) days and Grantee shall remove any defect in title or restore the Property to the condition required by this Deed Rider. The Grantee shall use best efforts to remove any such defects in the title whether voluntary or involuntary and to restore the Property to the extent permitted by insurance proceeds or condemnation award. The eligible purchaser (or the Municipality, as the case may be, if the Municipality "is purchasing the Property) shall have the election, at either the original or any extended time for performance, to accept such title as the Grantee can deliver to the Property in its then condition and to pay therefore the purchase price without deduction, in which case the Grantee shall convey such title, _except that in the event of such conveyance in accordance with the provisions of this clause, if the Property shall have been taken by a public authority, then the Grantee shall, unless the Grantee has previously restored the Property to its former condition, either:

- (i) pay over or assign to the eligible purchaser or the Municipality, as the case may be, on delivery of the deed, all amounts recovered or recoverable on account of such insurance or condemnation award less any amounts reasonably expended by the Grantee for the partial restoration, or

- (ii) if a holder of a mortgage on the Property shall not permit the insurance proceeds or the condemnation award or part thereof to be used to restore the Property to its former condition or to be so paid over or assigned, give to the eligible purchaser or to the Municipality, as the case may be, a credit against the purchase price, on delivery of the deed, equal to said amounts so retained by the holder of the said mortgage less any amounts reasonably expended by the Grantee for any partial restoration

2. Resale and Transfer Restrictions. Except as otherwise stated in this Agreement, the Property or any interest therein, shall not at any time be sold by the Grantee, the Grantee's successors and assigns, and no attempted sale shall be valid, unless:

(a) the aggregate value of all consideration and. payments of every kind given or paid by the eligible purchaser (as located and defined in accordance with Section 1 above) or the Municipality,' as the case may be, to the then owner of the Property for and in connection with the transfer of such Property, prior to customary closing adjustments for fuel, taxes, or similar items, is not in excess of the Maximum Resale Price for the Property, and (i) (A) if the Property is conveyed to an eligible purchaser, and a certificate (the "Eligible Purchaser, Certificate") is obtained and recorded, signed and acknowledged by the Monitoring Agent which Eligible Purchaser Certificate refers to the Property, the Grantee, the eligible purchaser thereof and the Maximum Resale Price therefor, and states that the proposed conveyance, sale or transfer of the Property to the eligible purchaser is in compliance with this Deed Rider and the Regulatory Agreement, and there is also recorded a new Deed Rider executed by the eligible purchaser which new Deed Rider the Eligible Purchaser Certificate certifies is satisfactory in form and substance to the Monitoring Agent; (B) if the Property is conveyed to the Municipality and a Certificate (the "Municipal Purchaser Certificate") is obtained from the Monitoring Agent and signed and acknowledged by the Municipality and the Monitoring Agent and recorded with the Registry of Deeds, which Municipal Purchaser Certificate refers to the Property, the Grantee, the Municipality, the Maximum Resale Price and states that the proposed conveyance, sale or transfer of the Property to the Municipality is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider and there is also recorded a new Deed Rider which Deed Rider is satisfactory in form and substance to the Monitoring Agent; or (C) if the Property is conveyed to a third party in accordance with Section 1, the Monitoring Agent executes and delivers an acceptance of the Compliance Certificate in accordance with Section 1;

(b) Any good faith purchaser of the Property, any lender or other party taking a security interest in such Property and any other third party may rely upon a Compliance Certificate accepted by the Monitoring Agent or an Eligible Purchaser Certificate or a Municipal Purchaser Certificate referring to the Property as conclusive evidence of the matters stated therein and may record such Certificate in connection with conveyance of the Property, provided, in the case of an Eligible Purchaser Certificate and a Municipal Purchaser Certificate the consideration recited in the deed or other instrument conveying the Property upon such resale shall not be greater than the maximum permitted price stated in the Eligible Purchaser Certificate or" the Municipal Purchaser Certificate as the case may be. If the Property is conveyed to the Municipality, any future sale of the Property by the Municipality shall be subject to the Regulatory Agreement and the Deed from

the Municipality shall contain a Deed Rider in form and substance satisfactory to the Monitoring Agent together with an Eligible Purchaser Certificate from the Monitoring Agent.

(c) Within ten (10) days of the closing of the conveyance of the Property from Grantor to Grantee, the Grantee shall deliver to the Monitoring Agent and to the Municipality a true and certified copy of the deed of the Property, together with information as to the place of recording thereof in the public records. Failure of the Grantee, or Grantee's successors or assigns to comply with the preceding sentence shall not affect the validity of such conveyance.

(d) Notwithstanding anything to the contrary contained in this Deed Rider, the Maximum Resale Price shall not be less than the purchase price paid by the Grantee which at the time of purchase complied with the requirements of the preceding deed rider and of the Regulatory Agreement and which is recited in an Eligible Purchaser Certificate or a Municipal Purchaser Certificate recorded/filed with the Registry plus the costs of approved capital improvements and marketing expenses, as determined by the Monitoring Agent.

(e) The Grantee understands and agrees that nothing in this Deed Rider or the Regulatory Agreement in any way constitutes a promise or guarantee by the Municipality, the Monitoring Agent or any other person or entity that the Grantee shall actually receive the Maximum Resale Price for the Property or any other price for the Property.

3. Restrictions Against Leasing and Junior Encumbrances. The Property shall not be leased, refinanced, encumbered (voluntarily or otherwise) or mortgaged without the prior written consent of the Monitoring Agent, provided, however, that this provision shall not apply to a first mortgage granted in connection with this conveyance for a principal amount less than the price approved by the Monitoring Agent in the Eligible Purchaser Certificate, the Municipal Purchase Certificate. Any rents, profits, or proceeds from any transaction which has not received the prior written consent of the Monitoring Agent shall be paid to and be the property of the Municipality for deposit into a fund for affordable housing. In the event that the Monitoring Agent, in the exercise of its absolute discretion, consents to any such lease, refinancing, encumbrance or mortgage, it shall be a condition to such consent that all rents, profits or proceeds from such transaction which exceed the carrying costs of the Property as determined by the Monitoring Agent in its sole discretion shall be paid to and be the property of the Municipality for deposit into a fund for affordable housing. Notwithstanding the restrictions outlined in this paragraph, any Property purchased by the Municipality, under its Right of First Refusal, may be rented by the Municipality, at its discretion, so long as the income limits for the lessee household do not exceed the Base Income as defined in the Regulatory Agreement. Funds received by a Municipality under this paragraph shall be deposited in an affordable housing fund to be used by the Municipality to support other affordable housing within the municipality.

4. Rights of Mortgagees. (a) Notwithstanding anything in this Agreement to the contrary, but subject to paragraph 4(b) of this Agreement, if the holder of record (other than the Grantor or any person related to the Grantor by blood, adoption, or marriage, or any entity in which the Grantor or any related person has a financial interest (an "Interested Party")) of an eligible mortgage granted to a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other

institutional lender or its successors or assigns (other than an Interested Party) shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Property in lieu of foreclosure, and provided that such holder has given the Monitoring Agent and the Municipality not less than (60) days prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure, the rights and restrictions contained in this Agreement shall not apply to such holder upon such acquisition of the Property, any purchaser (other than an Interested Party) of the Property at a foreclosure sale conducted by such holder, or any purchaser (other than an Interested Party) of the Property from such holder, and subject to the disposition of proceeds established in Paragraph 4(b) of this Agreement such Property shall thereupon and thereafter be :free from all such rights and restrictions. For purposes of this Deed Rider an eligible mortgage shall be a first mortgage encumbering only the Property and in an original principal amount not to exceed ninety-five (95%) percent of the sale price stated in the Eligible Purchaser Certificate, the Municipal Purchase Certificate recorded with the mortgagor's deed. Any foreclosing mortgagee holding a mortgage which is not an eligible mortgage, shall not be entitled to the protections of this section and shall be deemed to be an owner subject to all the restrictions and obligations of an owner under this Deed Rider.

(b) In the event such holder of an eligible mortgage conducts a foreclosure or other proceeding enforcing its rights under such mortgage or if the Property is conveyed to such holder in lieu of foreclosure and the Property is sold for a price in excess of the greater of (i) the sum of the outstanding principal balance of the note secured by such mortgage plus all accrued interest and all reasonable costs and expenses which the holder is entitled to recover pursuant to the terms of the mortgage and (ii) the Maximum Resale Price applicable on the date of the sale, such excess. shall be paid to the Municipality in consideration of the loss of the value and benefit of the rights and restrictions contained in this Deed Rider and held by the Municipality and released by the Municipality pursuant to this section in connection with such proceeding (provided, that in the event that such excess shall be so paid to the Municipality by such holder, the Municipality shall thereafter indemnify such holder against loss or damage to such holder resulting from any claim made by the mortgagor of such mortgage to the extent that such claim is based upon payment of such excess by such holder to the Municipality in accordance herewith, provided that .such holder shall give the Monitoring Agent and the Municipality prompt notice of any such claim and shall not object to the intervention by the Municipality in any proceeding relating thereto). In order to determine the Maximum Resale Price of the Property at the time of foreclosure or other proceeding, the Municipality may, at its own expense, obtain an appraisal of the fair market value of the Property satisfactory to such holder. The Maximum Resale Price shall be equal to the appraised fair market value so obtained, multiplied by the Discount Rate assigned to the Property. If the holder disagrees with such appraised value, the holder may obtain a second appraisal, at the holder's expense and the Maximum Resale Price shall be equal to the average of the two appraisal amounts multiplied by the Discount Rate. To the extent the Grantee possesses any interest in any amount which would otherwise be payable to the Municipality under this paragraph, to the fullest extent permissible by law, the Grantee assigns all its interest in such amount to said holder for payment to the Municipality. Funds received by a Municipality under this paragraph shall be deposited in an affordable housing fund to be used by the Municipality to support other affordable housing within the municipality.

5. Covenants to Run With the Property. (a) The Grantor and the Grantee, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, grant and assign to the Municipality, the Municipality's agents, successors, designees and assigns the right of first refusal to purchase the Property as set forth in this Deed Rider, and to the Monitoring Agent and the Municipality the right to enforce the rights and restrictions, covenants and agreements set forth in this Deed Rider. The Grantor and the Grantee grant to the Monitoring Agent and the Municipality the right to enter upon the Property for the purpose of enforcing any and all of the restrictions, covenants and agreements contained in this Deed Rider, and of taking all actions with respect to the Property which the Monitoring Agent and/or Municipality may determine to be necessary or appropriate, with or without court order, to prevent, remedy or abate any violation of the restrictions, covenants and agreements set forth in this Deed Rider. The rights granted to the Monitoring Agent and the Municipality shall be in addition to and not in limitation of any other rights and remedies available to the Grantor or the Monitoring Agent or to the Municipality for enforcement of the restrictions, rights, covenants and agreements set forth in this Deed Rider. It is intended and agreed that all of the agreements, covenants, rights and restrictions set forth in this Deed Rider shall be deemed to be covenants running with the Property and shall be binding upon and enforceable against the Grantee, the Grantee's successors and assigns and any party holding title to the Property for the benefit of and enforceable by the Monitoring Agent and/or the Municipality, the Monitoring Agent's and/or Municipality's agents, successors, designees and assigns for a period which is the shortest of (i) ninety-nine years from the date this restriction was first placed on the Property by either this Deed Rider or preceding deed rider in substantially similar form and substance or for as long as the condominium is not in compliance with the zoning requirements of the Town of Billerica, whichever period is longer, (ii) upon the recording of a Compliance Certificate accepted by the Monitoring Agent, or (iii) upon the recording of an Eligible Purchaser Certificate and a new Deed Rider executed by the eligible purchaser referenced in the Eligible Purchaser Certificate, which new Deed Rider is certified in the Eligible Purchaser Certificate to be in form and substance satisfactory or of a Municipal Purchaser Certificate as set forth in this Deed Rider. The Monitoring Agent shall be entitled to a fee of one-half of one percent of the Maximum Sale Price of the Property to the Municipality or an eligible purchaser or an ineligible purchaser in accordance with the provisions of this Deed Rider and the Regulatory Agreement for the services performed according to the Monitoring Services Agreement (and referenced in the Regulatory Agreement). This fee shall be paid by the Grantee as a closing cost at the time of closing, and payment of the fee of the Monitoring Agent shall be a condition to delivery and recording of its certificate, failing which the Monitoring Agent shall have a claim against the Grantee and persons claiming under the grantee for which the Monitoring Agent may seek an attachment against the Property.

(b) This Deed Rider and all of the agreements, restrictions, rights and covenants contained in this Deed Rider shall be deemed to be an affordable housing restriction as that term is defined in M.G.L. c. 184, § 31 and as that term is used in M.G.L. c. 184, §§ 26, 31, 32, and 33.

(c) The Grantee intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Deed Rider and the covenants, agreements, rights and restrictions contained in this Deed Rider shall be and are covenants running with the land, encumbering the Property for

the term of this Deed Rider, and are binding upon the Grantee's successors in title, (ii) are not merely personal covenants of the Grantee, and (iii) shall bind the Grantee, its successors and assigns and ensure to the benefit of the Municipality and their successors and assigns for the term of the Deed Rider. Grantee agrees that any and all requirements of the laws of the Commonwealth of Massachusetts to be satisfied in order for the provisions of this Deed Rider to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are also deemed to be satisfied in full

(d) Without limitation on any other rights or remedies of the Grantor, the Monitoring Agent, the Municipality, their agents, successors, designees and assigns, any sale or other transfer or conveyance of the Property in violation of the provisions of this Deed Rider, shall, to the maximum extent permitted by law, be voidable by the Municipality or the Monitoring Agent, or their agents, successors, designees and assigns by suit in equity to enforce such rights, restrictions, covenants, and agreements.

(e) Notwithstanding any other provision in this Deed Rider, after the end of the ninety-ninth year from the date this restriction was first placed on the Property by either this Deed Rider or a preceding deed rider in substantially similar form and substance or for as long as the condominium is not in compliance with the zoning requirements of the Town of Billerica, whichever period is longer (the "Termination Date"), the then owner of the Property then subject to this Deed Rider may sell the Property at a price equal to the fair market value of the Property as of the date of sale and not subject to this Deed Rider, provided, however that the owner, at the time of such sale must pay to the Municipality the difference between the fair market value as so determined and the Maximum Sale Price which the owner could realize in a sale to an Eligible Purchaser were this Deed Rider to have remained in effect, and upon such payment the Property will be deeded free and clear of this Deed Rider. In the event of any failure of any owner to make a payment under this Deed Rider the Municipality shall have the right to seek payment from the purchaser of the Property, and his/her successors and assigns, which right shall be prior to the encumbrance of any mortgage upon the Property. The owner of the Property after the Termination Date shall have the right to make a payment by refinancing or from other sources in the same amount to the Municipality as the Municipality would receive were this Deed Rider to have remained in effect in the event of a sale at fair market value on the date of payment after the Termination Date, and in the event of such a payment the owner shall hold the Property free and clear of this Deed Rider. The provisions of this paragraph shall survive the expiration of the term of this Deed Rider.

6. Notice. Any notices, demands or requests that may be given under this Deed Rider shall be sufficiently served if given in writing and delivered by hand or mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties to this Deed Rider at the addresses set forth below, or such other addresses as may be specified by any party by such notice.

Municipality: Town of Billerica
365 Boston Road
Billerica, MA 01821

Grantor: Salisbury Hill Corporation
574 Boston Road-Unit 15
Billerica, MA 01821

With a copy to:

Edith M. Netter, Esq
Edith M. Netter & Associates, P.C.
375 Totten Pond Road
Waltham, MA 02451

Grantee:

Monitoring Agent: Billerica Housing Authority
16 River Street
Billerica, MA 01821

Any such notice, demand or request shall be deemed to have been given on the day it is hand delivered or mailed.

7. Further Assurances. The Grantee agrees from time to time, as may be reasonably required by the Monitoring Agent or the Municipality, to furnish the Monitoring Agent and the Municipality with a written statement, signed and, if requested, acknowledged, setting forth the condition and occupancy of the Property, information concerning the resale of the Property and all other information pertaining to the Property or the Grantee's eligibility for and conformance with the Regulatory Agreement for this Project.

8. Waiver. Nothing contained in this Deed Rider shall limit the rights of the Monitoring Agent and/or the Municipality to release or waive, from time to time, in whole or in part, any of the rights, restrictions, covenants or agreements contained in this Deed Rider with respect to the Property. Any such release or waiver must be made in writing and must be executed by the Monitoring Agent and/or the Municipality or designee.

9. Severability. If any provisions of this Deed Rider or the application thereof to any person or circumstance shall come, to any extent, to be invalid or unenforceable, the remainder of this Deed Rider or the application of such provision to the persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Deed Rider shall be valid and enforced to the fullest extent permitted by law.

10. Responsibility of the Monitoring Agent. The Monitoring Agent shall not be held liable for any action taken or omitted under this Deed Rider so long as it shall have acted in good faith and without gross negligence,

11. Indemnity. The Grantor and the Grantee agree to indemnify and hold harmless the Monitoring Agent against all damages, costs and liabilities, including reasonable attorney's fees, asserted against the Monitoring Agent by reason of its relationship with the Project under this

Deed Rider and not involving claims that the Monitoring Agent acted in bad faith and with gross negligence.

Executed as a sealed instrument this _____ of _____, 200____.

Grantor:

Grantee:

COMMONWEALTH OF MASSACHUSETTS

County of _____, 200____.

Then personally appeared the above-named_____. [Grantor],
and acknowledged the foregoing instrument to be his/her free act and deed, before me.

Notary Public

My commission expires:

COMMONWEALTH OF MASSACHUSETTS

County of _____, 200____.

Then personally appeared the above-named _____.
[Grantee], and acknowledged the foregoing instrument to be his/her free act and deed, before me.

Notary

Public

My commission expires:

ACKNOWLEDGMENTS

Billerica Housing Production Plan Committee

- Richard Montuori, Town Manager
- Peter Kennedy, Director of Planning
- Ron DiOrio, Chairman, Housing Partnership
- Bob Correnti, Member, Board of Selectmen
- Pat Flemming, Member, Zoning Board of Appeals
- Sal Pasciuto, Chairman, Planning Board
- Sean Dunne, Realtor
- James Dangelo, Realtor

Northern Middlesex Council of Governments

Ellen D. Rawlings, Chairperson

Robert W. Flynn, Executive Director

Written by Jay J. Donovan, Associate Planner

Maps by John C. Matley, Senior Planner – GIS

Janet L. Thompson, Administrative Secretary